

S.F. No. 1359, as introduced - 87th Legislative Session (2011-2012) [11-3137]

2.1 (3) provide an analysis of the impact of the governor's proposed revenue and
2.2 expenditure plans for the next biennium;

2.3 (4) conduct research on matters of economic and fiscal policy and report to the
2.4 legislature on the result of the research;

2.5 (5) provide economic reports and studies on the state of the state's economy,
2.6 including trends and forecasts for consideration by the legislature;

2.7 (6) conduct budget and tax studies and provide general fiscal and budgetary
2.8 information;

2.9 (7) review and make recommendations on the operation of state programs in order
2.10 to appraise the implementation of state laws regarding the expenditure of funds and to
2.11 recommend means of improving their efficiency;

2.12 (8) recommend to the legislature changes in the mix of revenue sources for programs,
2.13 in the percentage of state expenditures devoted to major programs, and in the role of the
2.14 legislature in overseeing state government expenditures and revenue projections;

2.15 (9) make a continuing study and investigation of the building needs of the
2.16 government of the state of Minnesota, including, but not limited to the following: the
2.17 current and future requirements of new buildings, the maintenance of existing buildings,
2.18 rehabilitating and remodeling of old buildings, the planning for administrative offices, and
2.19 the exploring of methods of financing building and related costs; and

2.20 (10) conduct a continuing study of state-local finance, analyzing and making
2.21 recommendations to the legislature on issues including levels of state support for
2.22 political subdivisions, basic levels of local need, balances of local revenues and options,
2.23 relationship of local taxes to individuals' ability to pay, and financial reporting by political
2.24 subdivisions. In conducting this study, the commission shall consult with the governor,
2.25 the staff of executive branch agencies, and the governor's Advisory Commission on
2.26 State-Local Relations.

2.27 (b) In performing its duties under paragraph (a), the commission shall consider,
2.28 among other things:

2.29 (1) the relative dependence on state tax revenues, federal funds, and user fees
2.30 to support state-funded programs, and whether the existing mix of revenue sources is
2.31 appropriate, given the purposes of the programs;

2.32 (2) the relative percentages of state expenditures that are devoted to major programs
2.33 such as education, assistance to local government, aid to individuals, state agencies and
2.34 institutions, and debt service; and

2.35 (3) the role of the legislature in overseeing state government expenditures, including
2.36 legislative appropriation of money from the general fund, legislative appropriation of

S.F. No. 1359, as introduced - 87th Legislative Session (2011-2012) [11-3137]

3.1 money from funds other than the general fund, state agency receipt of money into
3.2 revolving and other dedicated funds and expenditure of money from these funds, and
3.3 state agency expenditure of federal funds.

3.4 (c) The commission's recommendations must consider the long-term needs of the
3.5 state. The recommendations must not duplicate work done by standing committees of
3.6 the senate and house of representatives.

3.7 (d) The commission shall:

3.8 (1) prepare fiscal notes and revenue notes on pending legislation;

3.9 (2) prepare local government impact notes on pending legislation; and

3.10 (3) prepare a forecast of state revenues and expenditures.

3.11 (e) The commission shall report to the legislature on its activities and
3.12 recommendations by January 15 of each odd-numbered year.

3.13 (f) The commission shall provide the public with printed and electronic copies of
3.14 reports and information for the legislature. Copies must be provided at the actual cost
3.15 of furnishing each copy.

3.16 Sec. 3. Minnesota Statutes 2010, section 3.885, is amended by adding a subdivision to
3.17 read:

3.18 Subd. 5a. **Staff.** The commission must hire an executive director. The executive
3.19 director may employ other staff.

3.20 Sec. 4. Minnesota Statutes 2010, section 3.98, is amended to read:

3.21 **3.98 FISCAL NOTES.**

3.22 Subdivision 1. **Preparation.** ~~The head or chief administrative officer of each~~
3.23 ~~department or agency of the state government, including the Supreme Court, Legislative~~
3.24 Commission on Planning and Fiscal Policy shall prepare a fiscal note at the request of
3.25 the chair of the standing committee to which a bill has been referred, or the chair of
3.26 the house of representatives Ways and Means Committee, or the chair of the senate
3.27 Committee on Finance. The head or chief administrative officer of each department or
3.28 agency of the state government, including the Supreme Court, shall supply information
3.29 for fiscal notes upon request of the executive director of the Legislative Commission on
3.30 Planning and Fiscal Policy.

3.31 For purposes of this subdivision, "Supreme Court" includes all agencies, committees,
3.32 and commissions supervised or appointed by the state Supreme Court or the state court
3.33 administrator.

3.34 Subd. 2. **Contents.** (a) The fiscal note, where possible, shall:

S.F. No. 1359, as introduced - 87th Legislative Session (2011-2012) [11-3137]

- 4.1 (1) cite the effect in dollar amounts;
- 4.2 (2) cite the statutory provisions affected;
- 4.3 (3) estimate the increase or decrease in revenues or expenditures;
- 4.4 (4) include the costs which may be absorbed without additional funds;
- 4.5 (5) include the assumptions used in determining the cost estimates; and
- 4.6 (6) specify any long-range implication.

4.7 (b) The fiscal note may comment on technical or mechanical defects in the bill but
4.8 shall express no opinions concerning the merits of the proposal.

4.9 Subd. 3. **Distribution.** A copy of the fiscal note shall be delivered to the chair of
4.10 the Ways and Means Committee of the house of representatives, the chair of the Finance
4.11 Committee of the senate, the chair of the standing committee to which the bill has been
4.12 referred, to the chief author of the bill and to the commissioner of management and budget.

4.13 Subd. 4. **Uniform procedure.** The ~~commissioner of management and budget~~
4.14 Legislative Commission on Planning and Fiscal Policy shall prescribe a uniform procedure
4.15 to govern the departments and agencies of the state in complying with the requirements
4.16 of this section.

4.17 Sec. 5. Minnesota Statutes 2010, section 3.987, subdivision 1, is amended to read:

4.18 Subdivision 1. **Local impact notes.** The ~~commissioner of management and budget~~
4.19 Legislative Commission on Planning and Fiscal Policy shall coordinate the development
4.20 of a local impact note for any proposed legislation ~~introduced after June 30, 1997~~, upon
4.21 request of the chair or the ranking minority member of either legislative Tax, Finance,
4.22 or Ways and Means Committee. Upon receipt of a request to prepare a local impact
4.23 note, the ~~commissioner~~ commission must notify the authors of the proposed legislation
4.24 that the request has been made. The local impact note must be made available to the
4.25 public upon request. If the action is among the exceptions listed in section 3.988, a
4.26 local impact note need not be requested nor prepared. The ~~commissioner~~ commission
4.27 shall make a reasonable and timely estimate of the local fiscal impact on each type of
4.28 political subdivision that would result from the proposed legislation. The ~~commissioner~~
4.29 ~~of management and budget~~ commission may require any political subdivision or the
4.30 commissioner of an administrative agency of the state to supply in a timely manner any
4.31 information determined to be necessary to determine local fiscal impact. The political
4.32 subdivision, its representative association, or commissioner shall convey the requested
4.33 information to the ~~commissioner of management and budget~~ commission with a signed
4.34 statement to the effect that the information is accurate and complete to the best of its ability.
4.35 The political subdivision, its representative association, or commissioner, when requested,

S.F. No. 1359, as introduced - 87th Legislative Session (2011-2012) [11-3137]

5.1 shall update its determination of local fiscal impact based on actual cost or revenue figures,
5.2 improved estimates, or both. Upon completion of the note, the ~~commissioner~~ commission
5.3 must provide a copy to the authors of the proposed legislation and to the chair and ranking
5.4 minority member of each committee to which the proposed legislation is referred.

5.5 Sec. 6. **APPROPRIATION.**

5.6 \$..... for the fiscal year ending June 30, 2012, and \$..... for the fiscal year ending
5.7 June 30, 2013, are appropriated from the general fund to the Legislative Coordinating
5.8 Commission for purposes of hiring staff for the Legislative Commission on Planning and
5.9 Fiscal Policy. The appropriations from the general fund to the Department of Management
5.10 and Budget are reduced by \$..... for the fiscal year ending June 30, 2012, and \$.....
5.11 for the fiscal year ending June 30, 2013.