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A bill for an act
proposing an amendment to the Minnesota Constitution by adding a section to
article XI; limiting the level of budgeted spending to 98 percent of the amount
forecast to be collected in the biennium.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **CONSTITUTIONAL AMENDMENT PROPOSED.**

An amendment to the Minnesota Constitution is proposed to the people. If the
amendment is adopted, a section shall be added to article XI, to read:

Sec. 16. (a) No appropriation may be enacted that would cause the aggregate state
general fund appropriations enacted for any biennial budget period to exceed 98 percent of
the forecast state general fund revenue for that biennial budget period from all sources.
A law enacted pursuant to section 7 is not considered an appropriation for the purpose
of this section.

(b) Notwithstanding paragraph (a), any portion of the amount over 98 percent of
the state general fund revenue for any biennial budget period as estimated according
to paragraph (a) may be appropriated in any biennial budget period for expenditures
necessary to respond to emergencies involving the health, safety, or welfare of the citizens
of the state of Minnesota, but only if those appropriations are approved by three-fifths of
the members of each house of the legislature.

(c) A budget reserve account is established within the general fund in the state
treasury. Within 60 days after the end of any biennial budget period, the excess of
any unencumbered funds remaining from the biennial budget period shall be paid into
the budget reserve account. The legislature, by a three-fifths vote of the members of
each house, may appropriate from the budget reserve account additional sums to fund

expenditures necessary to respond to emergencies involving the health, safety, or welfare of the citizens of the state of Minnesota.

(d) If the amount of funds that would be paid into the budget reserve account under paragraph (c) exceeds the amount needed to bring the total in the budget reserve account to an amount equal to five percent of the estimated biennial general fund revenues as determined according to paragraph (a), the rate of the state general sales and use taxes imposed under law must be reduced as provided in this paragraph. The rate must be reduced so that the estimated revenue reduction is equal to the amount by which the budget reserve account exceeds two percent of the estimated general fund revenues as determined according to paragraph (a), effective July 1 of the following year, unless the legislature has enacted prior to that date an alternative temporary or permanent reduction or reductions in state taxes equal in amount to the sales and use tax reduction otherwise required under this paragraph.

Sec. 2. **SUBMISSION TO VOTERS.**

The proposed amendment must be submitted to the people at the 2012 general election. The question submitted must be:

"Shall the Minnesota Constitution be amended to include spending restrictions that limit state government spending to 98 percent of revenues forecast to be received by the state in the biennial budget period, and any additional expenditures may only be made by a three-fifths vote of the legislature to provide for emergencies involving the health, safety, or welfare of the citizens of Minnesota, and when budget reserves exceed five percent of revenues, excess revenues must be used to provide tax reductions?"

Yes

No "