

CHAPTER 16A

DEPARTMENT OF FINANCE

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**16A.01 CREATION; COMMISSIONER; DEPUTIES; EMPLOYEES.** Subdivision 1. The department of finance is hereby created under the control and supervision of the commissioner of finance, which office is hereby established. The commissioner is the chief accounting officer, the principal financial officer and the state controller.

Subd. 2. The commissioner of finance is appointed by the governor by and with the advice and consent of the senate. The commissioner so appointed shall have broad experience as an executive financial manager. The commissioner shall serve at the pleasure of the governor. A vacancy in the office of the commissioner shall be filled by the governor, with the advice and consent of the senate.

Subd. 3. The commissioner may appoint two deputy commissioners, and a confidential secretary, each of whom shall serve at the pleasure of the commissioner in the unclassified service. Except as may be otherwise provided for by law, the commissioner shall fix the compensation of each deputy. A deputy may perform and exercise a power, duty, or responsibility imposed by law on the commissioner when authorized so to do by the commissioner.

Subd. 4. Subject to the provisions of Laws 1973, Chapter 492 and to other applicable laws governing a state department or agency, the commissioner shall organize the department and employ such other officers, employees, and agents as he may deem necessary to discharge the functions of his department, define the duties of such officers, employees, and agents and to delegate to them any of his powers, duties, and responsibilities subject to his control and under such conditions as he may prescribe. Personnel employed pursuant to this subdivision are in the classified service of the state civil service.

[1973 c 492 s 1]

**16A.02 TRANSFER OF DUTIES FROM STATE AUDITOR.** Subdivision 1. Except as otherwise provided for in this section, all the powers, duties, and re-

sponsibilities now vested in and imposed upon the state auditor are hereby transferred to, vested in, and imposed upon the department of finance.

Subd. 2. The state auditor shall continue to exercise the powers, duties, and responsibilities which heretofore have been or which may hereafter be by law vested in, and imposed upon him relating to certifying the state tax to the several county auditors, certifying the tax necessary to be levied in connection with the repayment of moneys borrowed by the state or its department and agencies or moneys loaned by the state as authorized by law; he shall also continue to exercise such powers, duties and responsibilities prescribed by the constitution and as a member of a governmental council, board or association.

[1973 c 492 s 2]

**16A.04 TRANSFER OF POWERS FROM DEPARTMENT OF ADMINISTRATION.** Subdivision 1. The department of finance shall prepare a biennial budget and a ten year cash receipts and disbursement projection in consultation with the commissioner of administration under the supervision of the governor. In even numbered years immediately before the inauguration of a new governor, such budget and a ten year cash receipts and disbursement projection shall be prepared under the supervision of the governor-elect.

Subd. 2. All the powers, duties, and responsibilities now vested in and imposed upon the commissioner of administration by sections 3.30, relating to the contingent fund; 16.027, relating to payrolls; 16.138, relating to reimbursements; 16.14, 16.15, and 16.155 relating to budgets and the budget, are transferred to, vested in and imposed upon the department of finance.

Subd. 3. All the powers, duties, and responsibilities now vested in and imposed upon the commissioner of administration by sections 16.20, 16.245, 16.25, 16.62, 16.63, 16.64 and any other law relating to the supervision and control of accounts and expenditures of the state government, its departments and agencies including but not limited to fees, payroll deductions, tax withholding, and compensation schedules, are hereby transferred to, vested in, and imposed upon the department of finance.

Subd. 4. The department of finance may make rules and regulations governing the powers, duties, and responsibilities transferred to it under the terms of Laws 1973, Chapter 492.

[1973 c 492 s 4]

**16A.05 TRANSFER OF CERTAIN APPROPRIATIONS.** The moneys heretofore appropriated to the commissioner of administration in the payroll clearance revolving fund in the state treasury is hereby reappropriated to the department of finance for the same purposes and uses as set forth in section 16.80, subdivision 1, clause (g). Any accumulation in said fund from profits or otherwise is also reappropriated to the department of finance for such purposes.

[1973 c 492 s 5]

**16A.055 DUTIES OF COMMISSIONER.** The commissioner of finance shall exercise the rights, powers, and duties vested in and imposed upon his office. He shall have charge of the administration of the financial affairs of the state. He shall keep the general books of account of the state. The general books of account shall be on a double entry control basis, with such revenue, expenditure, asset and liability accounts as will give complete control over all financial and expenditure operations of the state and over all officials, departments, and agencies of the state government. Accounts shall be set both as to expenditures and revenue according to generally accepted practice in governmental accounting. The commissioner of finance shall formulate and prescribe for all departments and other state agencies a system of uniform records, accounts, statements, estimates, revenue receipt forms, vouchers, bills, and demands with suitable instructions governing the installation and use thereof. The accounting system and form so prescribed shall be adopted and employed by all officials, departments, and agencies of the state government. The commissioner of finance shall exercise constant supervision and control thereof. All accounting and financial records shall be kept on the fiscal year basis of 12 months ending at midnight between June 30 and July 1. The commissioner of finance and his designated agents shall at all times have free access to the books, records, accounts, and papers of the several departments and agencies.

[1939 c 431 art 3 s 1; 1955 c 863 s 15; 1973 c 492 s 3] (80-2)

**16A.06 OTHER POWERS.** The commissioner of finance:

(1) Shall require each department in the executive branch to prepare financial reports in such form, and to be made at such intervals, as he may prescribe which will permit administrative and legislative comparisons of spending plans in relation to appropriations for programs and activities;

(2) Shall formulate and prescribe a system of measuring the effect of fund expenditures which will permit the evaluation and comparisons of the cost of functions or programs;

(3) Shall require each department to state in writing objectives of each activity or function authorized against which performance may be measured. The objectives shall be specific as to amount and time and for a period including the current and the following biennium and reported at such times and in such form as the commissioner shall direct;

(4) Shall require the department of revenue and other departments in the executive branch to report at his designated intervals concerning estimates of income and receipts whether from taxes or otherwise, and use such information in evaluating the financial condition and affairs of the state;

(5) Shall make such reports concerning the financial affairs of the state as the governor or the commissioner of administration may direct in addition to such reporting as may be otherwise prescribed by law;

(6) Shall require such reports and other information of the state treasurer and other departments and agencies in the executive branch as will permit formulation of policy on all fiscal and financial matters of state government.

[1973 c 492 s 6; 1973 c 582 s 3]

**16A.07 EFFECT OF TRANSFER OF FUNCTIONS.** Subdivision 1. With reference to the powers, duties, and responsibilities which by Laws 1973, Chapter 492 have been transferred to the department of finance, the department of finance is deemed to be the successor of the state auditor, and the commissioner of administration and the matters within the jurisdiction of such former offices shall not be deemed to be a new authority.

Subd. 2. Any proceeding, court action, prosecution, or other business or matter undertaken or commenced prior to the passage of Laws 1973, Chapter 492 with reference to powers, duties, and responsibilities of the state auditor, or the commissioner of administration which by Laws 1973, Chapter 492 are transferred to the commissioner of finance are hereby assigned to the department of finance, and such pending matters may be continued and completed by the department of finance in the same manner and under the same terms and conditions and with the same effect as if such matters were undertaken, commenced and completed prior to the time of such transfer.

Subd. 3. With reference to the powers, duties, and responsibilities transferred by Laws 1973, Chapter 492 from the state auditor, and the department of administration to the department of finance, the state auditor, the state treasurer and the commissioner of administration shall transfer and deliver to the department of finance all contracts, books, maps, papers, notes, bonds, cash, securities, money, records, and other property of every description within their jurisdiction or control relating thereto. The commissioner of finance is directed to take possession of such matters which have been transferred to his department. The commissioner of finance may require the public examiner to make such audits as he may deem necessary in addition to those required by law in connection with this section.

Subd. 4. Whenever in any other general law, heretofore or hereafter adopted, or any document, record, or proceeding authorized by the same, any word or phrase is used in reference to or descriptive of any power, duty, or responsibility which by Laws 1973, Chapter 492 is transferred from the state auditor, or the commissioner of administration to the department of finance, such word, phrase, or reference shall hereafter, unless the context or provision of Laws 1973, Chapter 492 otherwise requires, be deemed to refer to, include, or describe the department of finance.

Subd. 5. All unexpected funds appropriated to the state auditor, or the commissioner of administration for the purposes of any of the powers, duties, and responsibilities which by Laws 1973, Chapter 492, are transferred to the department of finance are hereby transferred and reappropriated to such department. Where unexpended funds appropriated to the state auditor or the department of

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administration include funds for powers, duties, and responsibilities which are not transferred, the governor shall allocate the appropriation between the state auditor, and the department of finance and the commissioner of administration and the department of finance, and the money so allocated is hereby reappropriated to the department of finance.

Subd. 6. Except as otherwise provided in Laws 1973, Chapter 492, all persons in the classified service of the state and employed by the state auditor or the department of administration for the purposes of any of the powers, duties or responsibilities which are transferred by Laws 1973, Chapter 492 to the department of finance are hereby transferred to the department of finance.

Subd. 7. The state auditor is the successor of the public examiner as to such powers, duties, and responsibilities as have been transferred to him from the public examiner and not a new authority. The legislative auditor is the public examiner as to such powers, duties, and responsibilities which the public examiner will continue to perform but as the legislative auditor.

Subd. 8. All persons in the classified service of the state and employed by the public examiner in performing the duties transferred to the state auditor are transferred to the state auditor without loss of any right or privilege. All persons in the classified service of the state and employed by the public examiner in performing duties which will be performed by the public examiner as legislative auditor will continue in the classified service without loss of right or privilege.

Subd. 9. All unexpended funds appropriated to the public examiner shall be allocated by the governor between the state auditor and the legislative auditor to carry out the divisions of authority prescribed by Laws 1973, Chapter 492 governing such officers and such reallocated funds are appropriated accordingly.

[1973 c 492 s 13]

**16A.08 OFFICE FACILITIES.** The commissioner of administration if necessary shall rearrange the offices and space allotted therefor to the state auditor, the state treasurer and the commissioner of administration in order to provide the department of finance with adequate and proper offices, and to that end may move the office facilities.

[1973 c 492 s 16]

**16A.09 CERTAIN REIMBURSEMENTS DEPOSITED IN GENERAL FUND.** Notwithstanding any other law to the contrary, reimbursements received by departments or agencies for services performed by other state agencies for which they are not billed shall be transferred for deposit into the general fund. Departments or agencies shall report such reimbursements to the commissioner of finance when the reimbursement is received. The commissioner after review shall certify the amount of each reimbursement to the commissioner of finance and shall report such reimbursements to the committee on finance of the senate and the committee on appropriations of the house of representatives. Upon certification the commissioner of finance shall transfer to the general fund such amounts from such accounts as the commissioner may designate.

[Ex1971 c 3 s 66; 1973 c 492 s 14]

**16A.10 COMMISSIONER TO PREPARE BUDGET.** Subdivision 1. **Budget estimate forms.** It shall be the duty of the commissioner, or his designated deputy, to prepare the budget for all state departments and agencies, subject to the approval of the governor. The commissioner shall furnish every department, official, and agency of the state authorized to expend state moneys with a sufficient number of budget estimate forms for its use by September first of each even-numbered year. The budget forms shall be so drawn as to show actual expenditures for the two preceding fiscal years, estimated expenditures for the current fiscal year, and estimates for each fiscal year of the succeeding biennium, the same data in respect to departmental receipts, and an estimated appropriation balance at the end of the current fiscal year. The estimated expenditures shall be classified to set forth the data by funds, organization units, character, and objects of expenditures, and the organization units may be subclassified by functions and activities. The department revenue estimates shall show the basis upon which the estimates were made and the factors involved in the same, and shall be classified so as to show receipts by funds, organization units, and sources of income.

Subd. 2. **Filing budget estimates.** Each such department, official, or agency shall, not later than the first day of October preceding the convening of the

legislature, file with the commissioner its estimates in the form provided, including a full explanation of its requests for any increased appropriations and for the expansion of services and the addition of new activities, a statement of the work accomplished during the preceding biennium and the work proposed to be done for the next biennium, and a list of all employees, their titles, and their salaries. The commissioner shall prepare estimates for all departments, boards, and agencies that fail to file requests.

**Subd. 3. Report to governor-elect.** The commissioner shall report the budget estimates to the governor-elect immediately after his election, and shall make available to him all information, staff, and facilities in the department relating to the budget.

[1939 c 431 art 3 s 14] (53-18m)

**16A.11 BUDGET SUBMITTED TO LEGISLATURE.** Subdivision 1. **When to be submitted.** The governor shall, within three weeks after the first Monday in January in each odd-numbered year, submit the budget to the legislature. It shall include recommendations as to capital expenditure. The budget shall include two parts.

**Subd. 2. Budget message.** Part 1 of the budget shall consist of a budget message prepared by the governor, including his recommendations with reference to the fiscal policy of the state government for the coming biennium, describing the important features of the budget plan, embracing a general budget summary setting forth the aggregate figures of the budget so as to show the balanced relation between the total proposed expenditures and the total anticipated income, with the basis and factors on which the estimates are made, the amount to be borrowed, and other means of financing the budget for the ensuing biennium, compared with the corresponding figures for at least the last two completed fiscal years and the current year. The budget plan shall be supported by explanatory schedules or statements, classifying the expenditures contained therein by organization units, objects, and funds, and the income by organization units, sources, funds, and the proposed amount of new borrowing, as well as proposed new tax or revenue sources. The budget plan shall be submitted for all special and dedicated funds, as well as the general fund, and shall include the estimated amounts of federal aids, for whatever purpose provided, together with estimated expenditures therefrom.

**Subd. 3. Detailed budget estimates.** Part 2 of the budget shall embrace the detailed budget estimates both of expenditures and revenues. It shall also include statements of the bonded indebtedness of the state government, showing the actual amount of the debt service for at least the past two completed fiscal years, and the estimated amount for the current fiscal year and for the next two fiscal years, the debt authorized and unissued, the condition of the sinking funds, and the borrowing capacity. It shall also contain any statements relative to the financial plan which the governor may deem desirable or which may be required by the legislature.

**Subd. 4. Further information furnished.** The commissioner shall, upon request, furnish the governor or the legislature with any further information required concerning the budget, and shall, upon request, attend hearings of committees of the legislature in regard thereto.

[1939 c 431 art 2 s 15; 1969 c 399 s 1; 1973 c 35 s 5; 1974 c 355 s 43] (58-18n)

**16A.12 BUDGET ESTIMATES SUBMITTED TO LEGISLATIVE COMMITTEES.** Subdivision 1. The commissioner of finance shall transmit a copy of the budget estimates and accompanying information for the biennial budget as submitted by each department or agency to the commissioner in accordance with section 16A.10, to the committee on finance of the senate and to the committee on appropriations of the house of representatives on or before the 15th day of November preceding the convening of a regular session of the legislature.

**Subd. 2.** The budget to the legislature submitted by the governor in accordance with section 16A.11, shall include the budget request of each department or agency arranged in tabular form so it may readily be compared with the governor's budget for each department or agency.

[Ex:1971 c 3 s 65; 1973 c 492 s 14]

**16A.125 PERCENTAGE OF RECEIPTS SET ASIDE FOR EXPENSES.** Subdivision 1. It is hereby determined that a charge of five percent of the amounts received from the licenses and fees specified in this subdivision does not exceed

the reasonable cost and value of the services rendered, or to be rendered, by the governor, the secretary of state, the state treasurer, the commissioner of finance, the attorney general, the department of administration, the courts, and the legislature, in connection with the collection of such licenses and fees and the maintenance of the agencies concerned therewith. There is hereby imposed upon the gross receipts beginning July 1, 1957 from the receipts of all boards existing and established under Minnesota Statutes 1953, Chapters 147, 148, 149, 150A, 151, 153, 154, 155, 156, and 326, and any other board or commission now or hereafter existing for the purpose of determining the qualifications, and licensing, of persons seeking to practice their trade or profession in this state, a charge of five percent, such charge to be determined at the end of each quarter on the gross receipts for such period. The proceeds of such charge shall be paid into the state treasury and credited to the general fund.

Subd. 2. The commissioner of finance on or after July 1, of each year, beginning July 1, 1959, shall determine the costs of operating during the preceding fiscal year of the following state offices and departments, to-wit: the commissioner of finance, the state treasurer, the department of administration, and the state personnel department, which are attributable to the operations of the state department of highways and the division of game and fish of the department of natural resources respectively. The costs of the several state offices and departments enumerated above attributable to the operations of the state highway department and the division of game and fish of the department of natural resources respectively, during the preceding fiscal year hereinafter referred to as the attributable amount shall be the amount determined by the commissioner of finance as hereinafter provided.

(a) The attributable amount of the state highway department and of the division of game and fish respectively of the cost of operating the office of the commissioner of finance shall be the amount of the salaries paid to employees who devote their entire time to highway matters or to game and fish matters as the case may be, plus the percentage of the amount expended for the salaries of all officers and other employees, except the employees no part of whose time is attributable to operation of the department of highways or the division of game and fish, of the office and for all supplies, and other expenses, which the total number of warrants issued by the commissioner of finance for the department of highways or the division of game and fish is of the total number of warrants issued by the commissioner of finance for all state purposes.

(b) The attributable amount of the state highway department and of the division of game and fish respectively of the cost of operating the office of the state treasurer is the percentage of the amount expended for salaries, supplies and expense of the office, which the total number of warrants accepted on account of the operation of the department of highways or the division of game and fish is of the total number of warrants accepted for all state purposes.

(c) The attributable amount of the state highway department and of the division of game and fish respectively of the cost of operating the department of administration shall be the total of attributable amounts determined as follows:

(1) The attributable amount of the cost of operating the division of purchases is the percentage of the amount expended for salaries, supplies, and expense of the division which the number of requisitions for purchases issued for the department of highways or the division of game and fish, is of the total number of requisitions issued for all state purposes.

(2) The attributable amount of the cost of the general administration of the department of finance, the budget division, and the budget engineering division is the percentage of the amount expended for salaries, supplies and expenses thereof, which the total expenditures of the department of highways or the division of game and fish, is of the total expenditures for all state purposes.

NOTE: Minnesota Statutes 1957, Section 16.20, Subdivision 2, clause (2), was eliminated by Laws 1959, Chapter 344, Section 1. The clause was re-enacted by Laws 1959, Chapter 667, Section 2, with the bracketed material as new matter to read: "(2) The attributable amount of the cost of operating the office of the state printer is the percentage of the amount expended for salaries, supplies, and expense of the office which the total number of requisitions for printing for the department of highways [or the division of game and fish,] is of the total number of requisitions for printing issued for all state purposes."

(3) The attributable amount of the cost of furnishing utilities, custodial and maintenance services to the building, grounds and equipment constituting the state highway department's central office building by the department of administration is the actual cost thereof to the department of administration as determined by the commissioner of finance; but nothing herein shall govern the attributable

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amount of the cost of furnishing utilities, custodial, and maintenance services to the portion of the state highway department central office building occupied by the motor vehicle division.

(d) The attributable amount of the state highway department and of the division of game and fish respectively of the cost of operating the state personnel department is the percentage of the amount expended for salaries, supplies and expense of the department, which the average number of employees of the department of highways or the division of game and fish, during the year is of the average number of employees employed by the state during the year.

(e) The attributable amount of the state highway department and of the division of game and fish respectively of the cost of operating the office of the legislative auditor is the amount expended by the office for salaries, supplies and expense in connection with auditing the department of highways or the division of game and fish.

(f) When the commissioner of administration has determined the total attributable amount of the cost of the offices and departments enumerated in this subdivision, he shall certify the amount so determined to the commissioner of finance. The several amounts so certified by the commissioner of finance are hereby appropriated from the trunk highway fund in the case of the department of highways and from the game and fish fund in the case of the division of game and fish to the general fund in the state treasury as a reimbursement of moneys expended from the general fund by the several state officers and departments enumerated in this subdivision for salaries, supplies and expense expended for services, supplies and expense attributable to highway and to game and fish matters. Upon receipt of the certification of the commissioner of finance, the commissioner of finance shall transfer from the trunk highway fund and from the game and fish fund to the general fund in the state treasury the amount certified by the commissioner of finance, and the commissioner of finance is authorized and directed to make the appropriate entries in the records of the respective funds. The commissioner of finance shall transmit a duplicate original of the certification to the state treasurer who is authorized and directed to make the appropriate entries in his records.

Subd. 3. The commissioner of finance on or after July 1, of each year beginning July 1, 1955, shall determine the costs of the operation during the preceding fiscal year of the following state offices and departments: The department of finance, the state treasurer, the department of administration, and the state personnel department, which is attributable to the operation of the state department of employment services. The amount of the cost of the several state offices and departments enumerated above attributable to the operation of the state department of employment services during the preceding fiscal year, hereinafter referred to as the attributable amount, shall be the amounts determined by the commissioner of finance as hereinafter provided.

(a) The employment services department's attributable amount of the cost of operating the office of the department of finance shall be the percentage of the amount of salaries paid to all officers and other employees of the office except those employees no part of whose salaries are attributable to the operation of the department of employment services and for all supplies, and other expenses which the total number of warrants processed by the commissioner of finance for the administrative salaries, and administrative supplies and expense, exclusive of refunds and benefit payments, for the department of employment services is to the total number of warrants issued by the commissioner of finance for all state purposes.

(b) The department of employment services' attributable amount of the cost of operating the office of the state treasurer shall be the amount paid to employees who devote their entire time to employment services matters, plus the percentage of the amount expended for salaries, supplies, and expenses of the office which the number of warrants accepted on account of administrative salaries, and administrative supplies and expenses, exclusive of refunds and benefit payments, for the department of employment services is of the total number of warrants accepted for all state purposes.

(c) The department of employment services' attributable amount of the cost of operating the department of administration shall be the total of attributable amounts determined as follows:

(1) The attributable amount of the cost of operating the division of purchases

is the percentage of the amount expended for salaries, supplies, and expense of the division which the number of requisitions for purchases issued for the department of employment services is of the total number of requisitions issued for all state purposes.

(2) The attributable amount of the cost of the general administration of the department of finance, the budget division, and the budget engineering division is the percentage of the amount expended for salaries, supplies and expense thereof which the total expenditures, exclusive of refunds and benefit payments, of the department of employment services is of the total expenditures for all state purposes.

(d) The employment services department's attributable amount of the cost of operating the department of personnel is the percentage of the amount expended for salaries, supplies, and expense of the department, which the average number of employees of the department of employment services during the year is of the average number of employees employed by the state during the year.

(e) The department of employment services' attributable amount of the cost of operating the office of the legislative auditor is the amount expended by the office for salaries, supplies and expense in connection with auditing the department of employment services.

(f) When the commissioner of finance has determined the total attributable amount of the cost of the offices and departments enumerated in this subdivision he shall certify the amount so determined to the commissioner of finance. The several amounts so certified by the commissioner of finance are hereby appropriated from employment services contingent fund to the general fund in the state treasury as a reimbursement of moneys expended from the general fund by the departments enumerated in this subdivision for salaries, supplies, and expense expended for services, supplies and expenses attributable to employment services matters. Upon receipt of the certification of the commissioner of finance, the commissioner of finance shall transfer from the employment services contingent fund to the general fund in the state treasury the amount certified by the commissioner of finance and the commissioner of finance is authorized and directed to make the appropriate entries in the records of the respective funds. The commissioner of finance shall transmit a duplicate original of the certification to the state treasurer who is authorized and directed to make the appropriate entries in his records.

Subd. 4. [Repealed, 1969 c 399 s 51]

Subd. 5. The term "state forest trust fund lands" as used in this subdivision, means any state school lands or other public lands subject to trust provisions under the state constitution and heretofore or hereafter set apart as state forest lands as provided by law.

Beginning July 1, 1955, the commissioner of finance and the state treasurer shall keep a separate account of all receipts from the sale of timber or other revenue from such state forest trust fund lands, to be known as the state forest suspense account, specifying the trust funds interested in such lands and the receipts therefrom, respectively.

As soon as practicable after the close of each fiscal quarter from and after July 1, 1955, the commissioner of finance, upon information supplied by the commissioner of natural resources which the commissioner of natural resources is herewith directed to furnish, shall determine and certify to the commissioner of finance and the state treasurer the total costs incurred by the state during such quarter under appropriations theretofore made for the protection, improvement, administration, and management of such state forest trust fund lands for forestry purposes as authorized by law, specifying the trust funds interested in such lands, respectively.

As soon as practicable after the end of each fiscal year, beginning with the year ending June 30, 1956, the commissioner of finance and the state treasurer shall distribute the receipts credited to said state forest suspense account during such fiscal year as follows:

(1) The total costs incurred by the state for the purposes aforesaid during such fiscal year and certified as hereinbefore provided shall be transferred to a special account to be known as the state forest development account. The total amount on deposit in the state forest development account is limited to and shall not exceed \$500,000 in any one fiscal year. Any amount in excess of \$500,000 on



deposit in the state forest development account on July 1, 1974, shall be transferred to the state trust funds in the same manner as provided in clause (2).

(2) The balance of said receipts shall be transferred to the state trust funds concerned in accordance with their respective interests in the lands from which the receipts were derived.

All moneys accruing and credited to said state forest development account from time to time are hereby appropriated to the division of lands and forestry in the department of natural resources, subject to the supervision and control of the commissioner of natural resources, for the purpose of planting, stand improvement, and forest development of such state forest trust fund lands for forestry purposes, to remain available until expended.

All the foregoing appropriations herein contained are to be expended subject to the provisions of law. No appropriation shall become available for expenditure until such estimates as required by law shall have been approved by the commissioner of finance. No obligation involving expenditure of money shall be entered into unless there is a balance in the appropriation available not otherwise encumbered to pay obligations previously incurred.

Subd. 6. The term "state trust fund lands," as used in this section, means any state school lands or other public lands subject to trust provisions under the state constitution.

Beginning July 1, 1955, the commissioner of finance and the state treasurer shall keep a separate account of all receipts derived from the royalties on, or the sale or lease of, any minerals from such trust fund lands to be known as the state lands and minerals suspense account, specifying the trust funds interested in such lands and the receipts therefrom, respectively.

As soon as practicable after the close of each fiscal quarter after July 1, 1955, the commissioner of finance, upon the information supplied by the commissioner of natural resources, which the commissioner of natural resources is herewith directed to furnish, shall determine and certify to the commissioner of finance and the state treasurer the total costs incurred by the state during such quarter under appropriations heretofore made for the administration and management of such trust fund lands by the division of lands and forestry, or any other agency so administering and managing, specifying the trust funds interested in such lands, respectively.

As soon as practicable after the end of each fiscal year beginning with the year ending June 30, 1956, the commissioner of finance and the state treasurer shall distribute the receipts credited to the state lands and minerals suspense account during such fiscal year as follows:

(1) All of the costs incurred by the state for the purposes aforesaid during such fiscal year and certified as hereinbefore provided, shall be transferred to the general fund as reimbursement for appropriations heretofore made for the purposes aforesaid. The balances of said receipts shall be transferred to the state trust funds concerned in accordance with their respective interests in the minerals from which the receipts were derived.

Subd. 7. In case any of the charges imposed upon the provisions of this section against any of the funds or receipts enumerated shall be held invalid, it shall not affect any other charge made hereunder. In case any of the charges imposed under the provisions of this section shall be held by any final determination by competent federal authority to conflict with the requirements of any federal grant so as to reduce the amount, the fund which otherwise shall be entitled thereunder so much of the proceeds of such charge as may be necessary to comply with the requirements of such grant are hereby appropriated to the agency concerned for the same purpose as the funds against which such charge was made.

Subd. 8. The commissioner of finance on or after July 1, of each year, beginning July 1, 1958 shall determine the costs of operating during the preceding fiscal year of the following state offices and departments, to-wit: The commissioner of finance, the state treasurer, the department of administration, and the state personnel department, which are attributable to the operations of the motor vehicle division and the petroleum tax division. The costs of the several state offices and departments enumerated above attributable to the operations of the activities of the motor vehicle division, as financed from the highway users tax distribution fund, and the activities of the petroleum tax division as financed by the highway users

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tax distribution fund, during the preceding fiscal year hereinafter referred to as the attributable amount shall be the amount determined by the commissioner of finance as hereinafter provided.

(a) (1) The motor vehicle division's attributable amount of the cost of operating the office of the commissioner of finance shall be the percentage of the amount of salaries paid to all officers and other employees of the office except those employees no part of whose salaries are attributable to the operation of the motor vehicle division and for all supplies and other expenses which the total number of warrants processed by the commissioner of finance for administrative salaries, administrative supplies, and expense, and the motor vehicle contingent fund and such other appropriations that are now or hereafter financed or reimbursed out of the highway users tax distribution fund by the legislature is of the total number of warrants issued by the commissioner of finance for all state purposes.

(2) The petroleum tax division's attributable amount of the cost of operating the office of the commissioner of finance shall be the percentage of the amount of salaries paid to all officers and other employees of the office except those employees no part of whose salaries are attributable to the operation of the petroleum tax division and for all supplies and other expense which the total number of warrants processed by the commissioner of finance for administrative salaries, administrative supplies and expense, gasoline tax refunds and bond premiums for gasoline tax collectors and such other appropriations that are now or hereafter financed or reimbursed out of the highway users tax distribution fund by the legislature is of the total warrants issued for all state purposes.

(b) (3) The motor vehicle division's attributable amount of the cost of operating the office of the state treasurer is the percentage of the amount expended for salaries, supplies and expense of the office which the total number of warrants accepted on account of the motor vehicle division's appropriations that are now or hereafter financed or reimbursed out of the highway users tax distribution fund, is of the total of the warrants accepted for all state purposes.

(4) The petroleum division's attributable amount of the cost of operating the office of the state treasurer is that percentage of the amount expended for salaries, supplies and expense of the office, which the total number of warrants accepted on account of the petroleum division's appropriations which are now or hereafter financed or reimbursed out of the highway users tax distribution fund, is of the total number of warrants accepted for all state purposes.

(c) The motor vehicle and petroleum division's attributable amounts of the cost of operating the department of finance shall be the total of attributable amounts determined as follows:

(1) The attributable amount of the cost of operating the division of purchases is the percentage of the amount expended for salaries, supplies, and expense of the division which the number of requisitions for purchases issued for the divisions of motor vehicles and petroleum, is of the total number of requisitions issued for all state purposes.

(2) The attributable amount of the cost of the general administration of the department of finance, the budget division, and the budget engineering division is the percentage of the amount expended for salaries, supplies, and expenses thereof, which the total expenditures of the motor vehicle division, and petroleum tax division is of the total expenditures for all state purposes.

(d) The motor vehicle division's and the petroleum tax division's attributable amount of the cost of operating the state personnel department is the percentage of the amount expended for salaries, supplies, and expense of the department, which the average number of employees of the motor vehicle division, and petroleum tax division during the year is of the average number of employees employed by the state during the year.

(e) The motor vehicle division's, and the petroleum tax division's attributable amount of the cost of operating the office of the legislative auditor is the amount expended by the office for salaries, supplies and expense in connection with auditing the motor vehicle division, and the petroleum tax division.

(f) The attributable amount of the cost of furnishing utilities, custodial and maintenance services in the portion of the state highway department central office building occupied by the motor vehicle division by the department of administration is the actual cost thereof to the department of administration as determined by the commissioner of finance.

(g) When the commissioner of finance has determined the total attributable amount of the cost of the offices and departments enumerated in this subdivision, he shall certify the amount so determined to the commissioner of finance. The several amounts so certified by the commissioner of finance are hereby appropriated from the highway users tax distribution fund to the general fund in the state treasury as a reimbursement of moneys expended from the general fund by the several state officers and departments enumerated in this subdivision for salaries, supplies and expense expended for services, supplies and expense attributable to motor vehicle and petroleum tax matters. Upon receipt of the certification of the commissioner of finance, the commissioner of finance shall transfer from the highway users tax distribution fund to the general fund in the state treasury the amount certified by the commissioner of finance, and the commissioner of finance is authorized and directed to make the appropriate entries in the records of the respective funds. The commissioner of finance shall transmit a duplicate original of the certification to the state treasurer who is authorized and directed to make the appropriate entries in his records.

Subd. 9. Except as otherwise provided by law, each state department, agency, state activity, semi-state activity or board (hereinafter designated as "state agency" for the purposes of this section) whose financial affairs are audited by the legislative auditor shall reimburse the legislative auditor for the cost of such audits. Such reimbursements shall be determined by multiplying the actual costs thereof as determined by the legislative auditor by the percentage that the appropriation from sources other than the general fund bears to the total of appropriations to such state agency. The proceeds of such reimbursement shall be deposited to the credit of the legislative auditor's revolving fund and the general fund in the state treasury, in the amount which is applicable to each such fund. Such sums of money to cover the costs of such audits and available to such state agency are hereby appropriated for the purpose herein stated. The collection by the legislative auditor of the cost of an audit as provided herein may be waived in whole or in part by the executive council if the members thereof determine that it is in the public interest not to require any state agency to pay for the cost thereof as provided by this section. If any state agency or the legislative auditor desires that the cost of an audit be waived in whole or in part, the matter shall be reported to the commissioner of finance who shall then submit the same to the executive council together with his recommendations.

Subd. 10. At least once each year on or after July 1, and at such other times as he may deem appropriate, the commissioner of finance, beginning July 1, 1965, in addition to making the determinations required of him by the provisions of this section, may determine the costs of providing, during the preceding fiscal year or part thereof, any or all utility services, as defined in section 16.03, subdivision 3, to the various departments and agencies of the state whose activities are financed wholly or partly with dedicated funds and for which departments and agencies utility services were paid from general fund appropriations made to the department of finance. As used in the foregoing, dedicated funds shall include, but not be limited to, annual appropriations made by the legislature, open, standing, continuing, and revolving appropriations, so-called dedicated receipt accounts, and federal funds. When the commissioner of administration has determined the amount of the cost of such utility services for each department and agency of the state he shall certify the amount so determined to the commissioner of finance. The several amounts so certified by the commissioner of finance are hereby appropriated from the applicable dedicated funds to the general fund in the state treasury as a reimbursement of moneys expended from the general fund by the department of finance for utility services attributable to such dedicated funds. Upon the receipt of the certification of the commissioner of finance, the commissioner of finance shall transfer from the applicable dedicated funds to the general fund in the state treasury the amount certified by the commissioner of finance, and the commissioner of finance is authorized and directed to make the appropriate entries in the records of the respective funds. The commissioner of finance shall transmit a duplicate original of the certification to the state treasurer who is authorized and directed to make the appropriate entries in his records.

The commissioner of finance may, in like manner, determine the costs of providing any or all such utility services to users, other than departments and

agencies of the state, which are quartered in the capitol group of buildings and for which such utility services were paid from general fund appropriations made to the department of finance. When the commissioner of finance has made such determination he shall bill such users for the costs attributable to each and the users shall pay the commissioner of finance for the amount so billed. Such amounts when received by the commissioner of finance shall be deposited in and for the benefit of the general fund.

[1939 c 431 art 2 s 20; 1955 c 714 s 1, 2; 1957 c 140 s 1; 1957 c 852 s 1-4; 1959 c 344 s 1-4; 1959 c 667 s 1, 2; 1961 c 571 s 1; 1965 c 901 s 57 subd 6; 1967 c 314 s 1; 1967 c 905 s 9; 1969 c 399 s 1; 1969 c 567 s 3; 1969 c 1129 art 3 s 1; 1971 c 24 s 2; 1973 c 254 s 3; 1973 c 492 s 14; 1973 c 507 s 45; 1974 c 10 s 1; 1974 c 224 s 1] (53-188)

**16A.128 FEES.** The fees fixed for the various accounts for which appropriations are made by law, shall be neither increased nor decreased except with the approval of the commissioner of finance. All such fees shall be reviewed at least once each six months, and such adjustments shall be made to the end that the total fees received shall approximate the amount appropriated for the several funds.

[*Ex*1971 c 3 s 52; 1973 c 492 s 14]

**16A.129 COMMISSIONER TO MAKE RULES.** The commissioner of finance shall have the following powers: to approve or reject the compensation schedules submitted by the personnel board for the various classes, grades, and titles of the employees of the various officials, departments, and agencies of the state government and institutions under their control; to require a complete record of the officers, assistants, and employees appointed thereby or employed therein, and to require the salaries of the same to be in conformity with the scale of compensation established pursuant to law; to prepare and prescribe classes of expenditures and revenue for the purpose of budget-making and accounting; to procure by lease, with the approval of the governor, office space and buildings for the use of the state government or any department, office, or institution thereof; to purchase, except as otherwise provided in Laws 1925, Chapter 426, as amended, all supplies and equipment for all state officials, departments, and agencies of the state government, including tools, machinery, and materials to be used by the state in the construction and maintenance of state highways; but the commissioner, in his discretion, may designate an officer or employee of any such department to make, under the general supervision and direction of the commissioner, such purchases for the department in which such designation is so made as he may specify.

The authority of the commissioner to approve or reject a scale of compensation therefor shall not apply to the unclassified service as prescribed by the state civil service law.

[1925 c 426 art 3 s 4; 1939 c 441 s 39; 1973 c 492 s 14; 1973 c 507 s 45] (53-7)

**16A.13 FEDERAL TAX WITHHOLDING.** Subdivision 1. **Creation.** There is hereby created and established the Victory Tax Fund in which shall be deposited all deductions made pursuant to this section. The state treasurer shall be ex-officio the custodian of all moneys deposited with him to the credit of the victory tax fund and his general bond to the state shall cover all liability for his acts as custodian thereof. Such moneys shall be subject to all provisions of law governing the keeping and disbursement of state moneys, so far as applicable, except as otherwise herein provided.

Subd. 2. **Commissioner to act as agent for the United States.** The commissioner of finance is authorized and empowered to cooperate with and act as agent for the United States of America in the collection of any tax now or hereafter imposed by the United States of America upon any officer or employee of the state of Minnesota or his salary or wages which is to be collected by withholding it from the salary or wages of the officer or employee. The head of each department of the state is hereby required to cause such tax to be withheld by causing the necessary deduction to be made from the salary or wages of each of said persons on every payroll abstract and to approve one voucher payable to the state treasurer, custodian, victory tax fund, for the aggregate amount so deducted from the salaries or wages covered by said payroll abstract, provided that deductions from salaries or wages of officers or employees paid direct by any institution or agency of the state shall be made by the officer or employee authorized by law to pay such salaries or wages. Whenever an error has been made with respect

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to a deduction hereunder, proper adjustment shall be made by decreasing or increasing subsequent deductions. All warrants and checks for deductions hereunder shall be remitted promptly to the state treasurer who shall deposit the amount thereof to the credit of the victory tax fund. The money so deposited with the state treasurer shall be paid out upon authorization of the commissioner of finance by state warrant payable to the proper federal authority or such other person as may be authorized by law of the United States of America to receive the same. Such portion of said fund as may be necessary to discharge the obligation of the State of Minnesota to the United States of America now or hereafter imposed by any law of the United States of America requiring deductions from salaries or wages is hereby appropriated for such purpose.

Subd. 3. **Commissioner to make reports.** The commissioner of finance shall, as required by proper federal authority, make all necessary reports of deductions made hereunder and cause the moneys so deducted to be paid out as herein provided.

Subd. 4. **Officers and employees to report to commissioner as required.** All officers and employees shall prepare and transmit to the commissioner of finance such information and forms as he may require for the purposes of this section.

[1943 c 1 s 1-4; 1973 c 492 s 14]

**16A.131 SALARY DEDUCTIONS, AUTHORIZATION.** Every officer and employee of the state may purchase and pay for bonds, stamps, and other securities issued by the federal government by directing in writing to the appropriate officer of the department where he is employed that deductions of the amount specified by him be made from his salary. The head of each department of the state is hereby required to cause such deduction to be made from the salary of each said persons on every payroll abstract and to approve one voucher payable to the state treasurer for the aggregate amount so deducted from the salaries covered by said payroll abstract, provided that deductions from salaries of officers or employees paid direct by any institution or agency of the state shall be made by the officer or employee authorized by law to pay such salaries, and remitted by him to the director by check payable to the state treasurer with a statement showing the amount of each of such deductions and the names of the officers and employees on whose account the same have been made. The money so deposited with the state treasurer shall be paid out on authorization of the governor by state warrant payable to the proper federal authority or to the officer or employee from whose salary the money was deducted, as the case may require.

[1951 c 678 s 1]

**16A.132 STAMPS.** Subdivision 1. As used in this section "stamps" includes all liquor stamps, fermented malt beverage stamps, and other stamps, tokens, or forms evidencing the payment of taxes or fees of any kind due to the state.

Subd. 2. All officers and members having custody of these stamps shall be accountable therefor at all times. They shall keep such records and make such reports as the commissioner of finance directs.

Subd. 3. Upon purchasing or contracting for these stamps, the commissioner of finance, with the advice and approval of the state treasurer, shall designate administration, with the advice and approval of the state treasurer, shall designate and design the form and denomination thereof, prescribe such requirements, and provide for such supervision of the manufacture and delivery thereof as is necessary to prevent forgery, misappropriation, and fraud. The printer or manufacturer of any stamps, shall deliver the stamps upon completion to the officer or employee of the state entitled to their custody. At the time of delivery he shall execute in triplicate a sworn statement stating the kind and number of the articles printed or manufactured and delivered, the precautions taken to prevent forgery, misappropriation, and fraud in connection therewith, and such other information as is required by the commissioner of finance and the state treasurer. One statement shall be delivered with the article described therein to the officer or employee of the state receiving the articles, and one to the commissioner of finance. No claim for payment for any such articles shall be allowed until these statements are delivered.

Subd. 4. All stamps which are salable for cash without further certification or authentication shall be delivered, when printed or manufactured, to the state treasurer, who shall have the exclusive right to sell them.

Subd. 5. Other stamps shall be delivered to and issued by the state treasurer.

The state treasurer shall issue daily duplicate reports to the commissioner of finance and liquor control commissioner showing the sales of stamps, the denominations thereof, and the persons purchasing them.

Subd. 6. Refunds to any purchaser for money paid for any stamps returned unfit for use or otherwise unused may be made upon such proof as is required by the commissioner of finance. If the commissioner of finance finds the proof to be correct, he may draw his voucher upon the state treasurer for the amount to be paid.

Subd. 7. The forging, with intent to defraud, of any stamp, evidencing, or intending to evidence, the payment of any tax or fee due to the state or any plate, die, or other device for the printing or manufacture of any such stamp is forgery. Every such stamp which is salable for cash, without further authentication or certification for the purposes of payment of any such tax or fee is deemed to be of the value of the amount of money designated thereon and for which the same is salable, and theft thereof is punished accordingly.

Subd. 8. The provisions of this section shall not exclude the application of any other laws, not inconsistent herewith, relating to the same subject matter, but are supplementary thereto.

[1955 c 863 s 21; 1965 c 35 s 1; 1973 c 492 s 14]

**16A.15 ACCOUNTING SYSTEM; ALLOTMENT AND ENCUMBRANCE.** Subdivision 1. **Reduction.** In case the commissioner of finance shall discover at any time that the probable receipts from taxes or other sources for any appropriation, fund, or item will be less than was anticipated, and that consequently the amount available for the remainder of the term of the appropriation or for any allotment period will be less than the amount estimated or allotted therefor, he shall notify the commissioner of administration who shall, with the approval of the governor, and after notice to the agency concerned, request the commissioner of finance to reduce the amount allotted or to be allotted so as to prevent a deficit. In like manner he shall request reduction of the amount allotted or to be allotted to any agency by the amount of any saving which can be effected upon previous spending plans through a reduction in prices or other cause.

Subd. 2. **Commissioner of finance; accounting system.** There shall be kept in the office of the commissioner of finance an accounting system showing at all times, by funds and items, the amounts appropriated for and the estimated revenues of such agency, the amounts allotted and available for expenditure, the amounts of expenditures or obligations authorized to be incurred, actual receipts and disbursements, actual balances on hand, and the unencumbered balances after deduction of all actual and authorized expenditures.

Subd. 3. **Payment within allotment and encumbrance; exceptions.** No payment shall be made and no obligation shall be incurred against any fund, allotment, or appropriation unless the commissioner of finance shall first certify that there is a sufficient unencumbered balance in such fund, allotment, or appropriation to meet the same. Every expenditure or obligation authorized or incurred in violation of the provisions of Laws 1939, Chapter 431, shall be presumed invalid and shall be ineligible for payment until its validity is established as hereinafter provided. Every payment made in violation of the provisions of Laws 1939, Chapter 431, shall be deemed illegal, and every official authorizing or making such payment, or taking part therein, and every person receiving such payment, or any part thereof, shall be jointly and severally liable to the state for the full amount so paid or received. If any appointive officer or employee of the state shall knowingly incur any obligation or shall authorize or make any expenditure in violation of the provisions of Laws 1939, Chapter 431, or take part therein, it shall be grounds for his removal by the officer appointing him, and, if the appointing officer be other than the governor and shall fail to remove such officer or employee, the governor may exercise such power of removal, after giving notice of the charges and opportunity for hearing thereon to the accused officer or employee and to the officer appointing him. Claims presented against existing appropriations without prior allotment or encumbrance may, upon investigation, review, and approval by the commissioner of finance be determined valid where the services, materials, and supplies for which payment is claimed have been actually rendered or furnished to the state in good faith without collusion and without intent to defraud. Thereafter the commissioner of finance may draw his warrant in payment of such

claims in the same manner in which other claims, properly allotted and encumbered prior to inception thereof, are paid.

Subd. 4. **Periodic allotment.** In the case of appropriations made for construction or other permanent improvement, including acquisition of real estate, equipment, repair, rehabilitation, appurtenances or utility systems, which appropriations do not lapse until the purposes for which the appropriations were made shall have been accomplished or abandoned, the commissioner of finance may dispense with periodic allotment and shall prescribe such regulations as will insure proper application and encumbrance of funds.

[1973 c 492 s 23-26]

**16A.16 DEPARTMENT HEAD EXPENSES.** Heads of departments in the executive branch who receive a fixed salary of, or whose range midpoint is, \$23,000 annually or more, and constitutional officers, are authorized to expend annually a sum not to exceed \$2,000; and the heads of all other state departments are authorized to expend a sum not to exceed \$1,000 annually from their supply and expense funds for expenses necessary for the normal performance of their duties for which no other reimbursement is provided. The expenditures are subject to the statutes and rules and regulations of the state governing budgeting, allotment and encumbrance, preaudit, and post audit.

The commissioner of finance may promulgate rules and regulations as necessary to assure the proper expenditure of these funds, and to provide for reimbursement.

[Ex:1971 c 32 s 15; 1973 c 596 s 7]

**16A.17 PREPARATION OF STATE PAYROLL.** Subdivision 1. The commissioner of finance, with the approval of the governor, shall fix the time for payment of salaries due elective and appointive officers and employees of the state government. As herein determined said salaries shall be paid either monthly, semi-monthly or for each two week period; provided, however, that no employee whose salary is less than \$500 a month shall be paid on a monthly basis.

Subd. 2. Until the commissioner of finance, with the approval of the governor, exercises the power herein conferred, payment of salaries to elective and appointive officers and employees of the state government shall continue to occur in the manner now provided by law.

Subd. 3. In order to utilize modern accounting methods in processing payrolls, the commissioner of finance may adjust salaries of all state officers and employees whether fixed by statute or otherwise on an annual, monthly, semi-monthly, daily or other basis, so that they are payable in equal payments throughout the year. The salaries so adjusted shall be based on a year of 2088 working hours. Odd fractions may be dropped or added in order to permit equal payments throughout the year regardless of whether the computation slightly decreases or increases the fixed annual, monthly, semi-monthly, daily or other salary of the state officers or employees.

Subd. 4. If the commissioner provides for equal payments of salaries throughout the year, the payroll shall be allocated as provided in this subdivision.

(1) If the payroll period extends beyond one quarter of the year and into another quarter of the year, the amount of the payroll for such payroll period shall be chargeable to the respective allotments and encumbrances according to procedures to be established by the commissioner of finance.

(2) This subdivision is applicable to salaries of state officers and employees payable in equal payments throughout the year notwithstanding any provision in Minnesota Statutes 1957, Chapter 16, and any act amendatory thereof relating to the budget, allotment, and encumbrance system. No provision of any subsequent law relating to the budget, allotment, and encumbrance system or to appropriations for the payment of salaries of state officers and employees shall be construed as inconsistent with this subdivision unless and except only so far as expressly provided in such subsequent act that the provisions of this subdivision shall not be applicable or shall be superseded, modified, amended, or repealed.

Subd. 5. Whenever in any law the duty is imposed upon the head of a state department or agency to make deductions from, or employer contributions on, the salaries and wages of state officers and employees for such purposes as are authorized or directed by law and to prepare or issue vouchers in connection therewith and the payroll for such officers and employees is prepared by the central payroll sec-

tion of the department of finance, such duties as hereinbefore referred to shall devolve upon the commissioner of finance. Notwithstanding any other law to the contrary, where a state officer or employee directs, in writing, that a voluntary deduction shall be made from his salary or wages, the officer or employee shall file an original and one copy of his written instruction with the credit union, organization, association, agency, or carrier to which the deduction is to be paid and the intended recipient of such deduction shall forward the original of the instruction, signed by the employee, together with such other information as the commissioner of finance may prescribe concerning the amount of the deduction or change therein to the head of the state department or agency who prepares the payroll involved.

Subd. 6. All payrolls for the compensation of work performed, by elective and appointive state officers and employees, with the exception of the legislative and judicial branches, shall be prepared by the central payroll section of the department of finance.

Subd. 7. (1) To facilitate the lowering of the payroll preparation cost, the commissioner of finance may authorize certification by authorized officials as to hours worked for payroll purposes in anticipation of the hours actually worked. The commissioner shall prescribe such procedures as may be necessary to assure that no payment shall be made for hours not worked unless covered by leave in accordance with civil service rules and regulations or as provided in clause (2).

(2) Upon certification by the commissioner of finance, any agency of the state government shall release part or all of any fund held for an employee to correct an overpayment to any officer or employee described in subdivision 6 who has been erroneously paid.

Provided, however, that employee contributions in a retirement fund shall not be released until such time as the former state employee or person otherwise entitled thereto would be eligible to apply for a refundment and has been given proper notice. Amounts paid under the provisions of this section shall be considered the equivalent of a refundment. If an employee or survivor is entitled to an immediate or deferred annuity or survivor benefit, no funds shall be paid from his retirement account under the provisions of this section.

Subd. 8. (1) At the request of an officer or employee of the state of Minnesota, the appointing authority shall, by payroll deduction, defer the payment of such part of the compensation of the officer or employee as provided in a written agreement between the officer or employee and the state of Minnesota in such a manner as will qualify the deferred amount for benefits afforded under federal and state tax laws, regulations, and rulings.

(2) The amount of compensation so deferred shall be used to purchase shares in the Minnesota supplemental retirement fund established in section 11.18. The shares so purchased shall stand in the name of the state of Minnesota for the officer or employee whose deferred compensation purchased said shares until distributed to said officer or employee in a manner agreed upon by the appointing authority and the employee. Nothing in this subdivision shall be construed as to authorize an employer contribution, nor shall the state be responsible for any loss which may result from investment of the deferred compensation.

(3) The provisions of this subdivision, except clause (2), shall be administered by the Minnesota state retirement system pursuant to the provisions of clause (4).

(4) The commissioner of finance shall establish rules, regulations, and procedures to carry out the provisions of this subdivision including allocation of administrative costs against the assets accumulated under this subdivision. Funds to pay such costs are hereby appropriated from the fund or account in which the assets accumulated under this subdivision are placed.

[1957 c 414 s 1; 1961 c 222 s 1, 2; 1969 c 281 s 1; 1971 c 803 s 1, 2; Ex1971 c 32 s 19; 1973 c 435 s 1; 1973 c 492 s 14]

**16A.18 JUDICIAL AND LEGISLATIVE BRANCHES, ACCOUNTING AND PAYROLL SYSTEMS.** Notwithstanding the provisions of any other law to the contrary, neither the judicial nor legislative branches of state government are required to participate in the statewide accounting system or in a computerized payroll system.

[1973 c 720 s 74]

**16A.25 INVESTED FUNDS; CONVERSION INTO CASH; COMMISSIONER'S CERTIFICATION.** When it shall appear to the commissioner of finance that



any invested funds are needed for current purposes before the maturity dates of the securities held, he shall so certify and it shall then be the duty of the board of investment to order the sale or conversion into cash of securities of the amount so certified.

[1973 c 492 s 10]

**16A.26 DEPOSIT OF TAX RECEIPTS IN SINGLE DEPOSITORY ACCOUNT FOR EACH TAX.** Notwithstanding the provisions of sections 290.361, 291.33, 297.13, 298.17, 298.281, 298.282, 298.32, 298.39, 298.396, 298.51, 298.64, 298.65, 340.60 and similar laws to the contrary relating to the depositing, disposition, or apportionment of tax receipts, the commissioner of finance may provide for a single depository account for each tax or kind of taxes providing adequate information is available to determine the source and disposition or apportionment of the tax to meet statutory requirements. The commissioner shall request such transfers and certifications as are necessary to meet such statutory requirements. The commissioner of finance may issue directives to implement the provisions of this section.

[1973 c 492 s 14; 1973 c 720 s 65]

**16A.27 STATE FUNDS; DEPOSIT; REGULATION BY COMMISSIONER.** (a) Deposit of state funds in depositories by the treasurer under this section is subject to regulation by the commissioner of finance. He may determine the amount of funds to deposit in a depository and any other matter which he deems in the public interest. The treasurer shall comply with such regulations.

(b) All depositories with various noninterest bearing deposits which, as a group, total over \$100,000 shall report such balances as of the close of the previous business day by 9:00 a. m. daily to the treasurer and the commissioner of finance. The commissioner of finance shall record these daily balances, which shall be a matter of public record at the legislative reference library and reported monthly to the legislative audit commission.

(c) All state accounts shall be established by competitive bid among the designated depositories. The commissioner of finance shall send written notice of his intent to accept bids for the handling of the state account, or accounts, to all designated depositories. The notice shall specify such considerations, fiscal activities, and conditions as the commissioner may require. All such deposits shall be awarded by competitive bid to the lowest bidding depository which, in the opinion of the commissioner, has the capacity to discharge the required considerations, fiscal activities, and conditions.

(d) In exceptional cases, the commissioner may dispense with the bid procedure. In such event, he shall report the circumstances and reasons therefor to the legislative audit commission within five days after establishing the account.

(e) All presently existing state accounts shall be closed, and new accounts shall be established in compliance with the bid procedure established in clause (c) no later than one year after the effective date of Laws 1973, Chapter 492.

(f) Notwithstanding any provision in this section to the contrary, the commissioner of finance may agree to pay a depository a reasonable charge or keep appropriate compensating balances for handling state funds, for cashing state warrants, vouchers and the like. Such moneys as may be necessary for such purpose are hereby appropriated annually to the commissioner of finance.

[1973 c 492 s 8]

**16A.28 APPROPRIATIONS TO REVERT TO STATE TREASURY.** Except as specifically provided for in appropriation acts, every appropriation or part thereof of any kind hereafter made subject to the provisions of this section remaining unexpended and unencumbered at the close of any fiscal year shall lapse and be returned to the fund from which such appropriation was made; provided, that an appropriation for construction or other permanent improvement shall not lapse until the purposes for which the appropriation was made shall have been accomplished or abandoned unless such appropriation has stood during the entire fiscal biennium without any expenditure therefrom or encumbrances thereon.

Except as otherwise expressly provided by law, the provisions of this section shall apply to every appropriation of a stated sum for a specified purpose or purposes heretofore or hereafter made from the general fund, but shall not, unless expressly so provided by law, apply to any fund or balance of a fund derived wholly or partly from special taxes, fees, earnings, fines, federal grants, or other

sources which are by law appropriated for special purposes by standing, continuing, or revolving appropriations.

[1939 c 431 art 2 s 17; 1969 c 399 s 1; 1973 c 720 s 77] (53-18p)

**16A.35 FEDERAL GENERAL REVENUE SHARING FUNDS, TRANSFER TO GENERAL FUND.** Any moneys heretofore or hereafter received from federal general revenue sharing funds and any interest earned on such moneys shall be transferred to the general fund in order to comply with United States Department of Treasury regulations that such federal general revenue sharing funds be appropriated and expended in the same manner as the state's own revenues. Upon transfer such federal general revenue sharing funds shall be appropriated and expended in the same manner as all other moneys in the general fund. Provided, however, that such federal general revenue sharing funds shall not be appropriated or considered to be appropriated to any local unit of government, including school districts, the University of Minnesota, or for any purpose that is contrary to the provisions of Public Law 92-512 or the regulations of the United States Department of the Treasury. The commissioner of finance shall make such transfers, and the sums so transferred are then a part of the general fund and available for appropriation and expenditure.

[1973 c 492 s 14; 1973 c 720 s 66]

**16A.36 GRANTS FROM UNITED STATES, USE.** All funds received by the state from the government of the United States as grants in aid for the financing of aid to dependent children, or for maternal and child health services, or for the care of crippled children, or for the care of neglected children and child welfare generally, or for vocational rehabilitation, or for the extension of public health services, or for any other public assistance or public welfare purpose shall be used solely for the purpose for which the grant was made. Any interest or income arising from the funds so granted shall be accredited by the state treasurer to the particular account for which the grant was made and used solely for the purpose of that grant or repaid to the United States Treasury as the proper authorities or the government of the United States may require.

[1937 c 25 s 1; 1955 c 863 s 14; 1973 c 717 s 8] (53-18a)

**16A.40 WARRANTS.** Warrants shall be drawn on printed blanks progressively numbered and for every warrant issued the number, amount, date, and name of payee shall be entered in progressive order in warrant registers kept by him for that purpose.

[R L s 35; 1917 c 480 s 1; 1955 c 863 s 3] (67)

**16A.41 CLAIMS AGAINST STATE.** Subdivision 1. When claims against the state for any purpose are made for which there is an appropriation available the official having authority over the appropriation from which the claim is to be paid shall cause the claim to be approved by certification thereon that the service was performed or the goods or material furnished. These claims shall be forwarded to the commissioner of finance accompanied by such transmittal form as he prescribes.

Subd. 2. The commissioner of finance may require any person making a claim against the state for any purpose to declare that the claim and the amount thereof is just and correct and that no part thereof has been paid. Such declaration if required by the commissioner of finance is sufficient if in the following form:

"I declare under the penalties of perjury that this claim is just and correct and that no part of it has been paid.

Signature of Claimant."

Subd. 3. The effect of this declaration shall be the same as if subscribed and sworn to under oath.

[1905 c 96 s 1; 1909 c 120 s 1; 1917 c 480 s 2; 1955 c 863 s 4; 1957 c 93 s 1; 1973 c 492 s 14] (68)

**16A.42 PRESCRIBES FORM OF CLAIM.** The form of the claim is prescribed by the commissioner of finance. The warrant is completed and signed by the commissioner and the treasurer, upon approval of the claim by the commissioner, shall accept the warrant with his signature, making the warrant negotiable. The treasurer may confer authority upon one or more of his assistants to accept the war-

rant in his behalf. The warrant shall be entered in the warrant register the same as a cash payment.

[1905 c 96 s 1; 1909 c 120 s 2; 1909 c 169 s 1; 1917 c 480 s 3; 1955 c 863 s 5; 1973 c 492 s 14] (69)

**16A.43 ENDORSEMENT OF WARRANT A RECEIPT.** The endorsement by the payee of the warrant constitutes a receipt in full for the claim therein.

[1905 c 96 s 2; 1909 c 120 s 3; 1917 c 480 s 4; 1955 c 863 s 6] (70)

**16A.44 SUBPOENAS.** The commissioner of finance may issue subpoenas to any person who renders an account to the state in the nature of a bill for expenses for articles sold or purchased or involving any other transaction between the state and any person, corporation, or copartnership. He may place such individual under oath and examine him as to the correctness of any account rendered. He may subpoena witnesses, administer oaths, and examine witnesses under oath in any transaction entered into between the state and any person, copartnership, or corporation.

[1917 c 498 s 2; 1955 c 863 s 7; 1973 c 492 s 14] (72)

**16A.45 OUTSTANDING UNPAID WARRANTS, CANCELATION.** At the beginning of each fiscal year the commissioner of finance and the state treasurer shall cancel upon their books all outstanding unpaid commissioner of finance's warrants that have been issued and delivered for more than six years prior to that date and credit to the general fund the respective amounts of the canceled warrants. When any canceled warrant is presented for payment it shall be taken up by the commissioner and a new warrant for the same amount, payable to the lawful holder thereof, but bearing a current number, shall be issued against the general fund from which the amount necessary to pay the new warrant is hereby appropriated.

[1923 c 288 s 1, 2; 1955 c 863 s 8; 1969 c 399 s 1; 1973 c 492 s 14] (73)

**16A.46 UNPAID WARRANT, ISSUANCE OF DUPLICATE.** When it is shown to the commissioner of finance by affidavit that any unpaid state warrant is lost or destroyed he may issue to the owner a duplicate thereof and thereupon the original is void. If it appears to the commissioner that any person may be damaged thereby, he may require from the applicant a bond of indemnity to the state in double the amount of the warrant, conditioned for the benefit of the person so damaged. The commissioner in his discretion may refuse to issue a duplicate of an unpaid state warrant. If he acts in good faith he is not liable, whether the application is granted or denied.

[R L s 36; 1955 c 863 s 9; 1973 c 492 s 14] (74)

**16A.47 RECORD OF ACCOUNTS AND DOCUMENTS.** The commissioner of finance shall enter and keep in his office, in suitable books, a record of all accounts and documents as are required by law to be returned to or filed with him. He shall file and preserve all receipts and other vouchers relating to his official business. He shall keep an account with the treasurer, charging him therein with all moneys paid into the treasury and crediting all warrants redeemed by him and returned. An account shall likewise be kept with each money appropriation made by the legislature, showing all disbursements made therefrom. He shall keep such other accounts as are necessary to exhibit the condition of the state finances from day to day.

[R L s 37; 1955 c 863 s 10; 1973 c 492 s 14] (75)

**16A.48 REFUNDS.** Subdivision 1. Money paid into the state treasury through error or under circumstances such that the state is not legally entitled to retain it, may be refunded upon the submission of a verified claim therefor. The claimant shall present his verified claim, together with a complete statement of facts and reasons for which the refund is claimed, to the head of the state agency concerned, who shall forthwith examine it, attach thereto his approval or disapproval thereof together with his reasons therefor, and submit the claim to the commissioner of finance for settlement in the manner provided by law.

Subd. 2. There is hereby appropriated to the persons entitled to such refund, from the fund in the state treasury to which the money was credited, an amount sufficient to make the refund and payment.

[1947 c 416 s 1, 2; 1955 c 863 s 11; 1973 c 492 s 14]

**16A.49 REFUNDS, \$1 OR LESS.** Moneys in the state treasury shall not be

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used in making a refund where the amount thereof is \$1 or less except where the amount received by the state giving rise to the refund, is \$1 or less. Such refunds may be made in conformity with the requirements established by the commissioner of finance and may be in lieu of the conditions prescribed by section 16A.48, subdivision 1.

[*Ex*1967 c 48 s 69; 1973 c 492 s 4 subd 3]

**16A.50 REPORT TO LEGISLATURE.** On or before November 15 of each even numbered year the commissioner of finance shall report to the legislature an account of the receipts and disbursements of the treasurer during the preceding two fiscal years, the unexpended balances of the several appropriations, the amount remaining in the treasury, and any warrants issued and unpaid, which report shall be accompanied by such remarks on the state finances as he deems proper.

[*R L* s 40; 1955 c 847 s 1; 1955 c 863 s 12; 1959 c 51 s 1; 1973 c 492 s 14; 1974 c 406 s 56] (79)

**16A.51 UNPAID DRAFTS.** Subdivision 1. Except as provided in subdivision 2, drafts issued by the commissioner of finance for claims due the state and delivered to the state treasurer for collection shall be paid within 30 days thereafter unless the claim is to be paid by a county and is for services rendered by the university of Minnesota hospitals in which case the claim shall be paid within 60 days of the date the bill is presented to the county board. If not paid within that period interest shall accrue and be collected upon the principal of the claims at the rate of eight percent per annum from the due date of the draft.

Subd. 2. The provisions of subdivision 1 do not apply to drafts issued for timber stumpage, gross earning taxes, or for amounts due for principal or interest upon state loans, or other claims due the state where the interest is now provided by law.

[1919 c 497 s 1; 1953 c 18 s 1; 1955 c 863 s 13; 1965 c 658 s 1; 1969 c 359 s 1; 1973 c 492 s 14] (80-1)

**16A.52 POLICY.** In order to simplify the accounting system of the state, to fully utilize modern methods of accounting, and to enable the general books of account of the state to reflect expenditures and revenues according to generally accepted practices in governmental accounting, it is desirable to modify and change the accounting system of the state in accordance with the provisions of sections 16A.53 to 16A.55.

[1959 c 30 s 1]

**16A.53 BOOKKEEPING ACCOUNTS.** Whenever a provision of law now existing or hereafter enacted provides for creating a fund in the state treasury into which are deposited certain revenues and out of which certain expenditures are appropriated, the commissioner of finance may consider the creation of such fund as the creation of a bookkeeping account in the general books of account of the state so as to reflect the revenues deposited in the state treasury and credited to such account and the expenditures appropriated from the state treasury and charged to such account. This section is inapplicable to any fund created by the constitution or to any fund required to be created in the state treasury by the provisions of any federal law or a rule or regulation promulgated by a federal authority pursuant thereto.

[1959 c 30 s 2; 1973 c 492 s 14]

**16A.54 GENERAL FUND DEFINED.** The term "general fund" appearing in any existing or hereafter enacted law relating to revenues deposited in or expenditures appropriated from the state treasury means such moneys as have been deposited in the state treasury for the usual, ordinary, running, and incidental expenses of the state government and does not include moneys deposited in the state treasury for a special or dedicated purpose.

[1959 c 30 s 3; 1969 c 399 s 2]

**16A.55 GROUPING OF BOOKKEEPING ACCOUNTS.** Subdivision 1. **Commissioner of finance's duty.** The commissioner of finance, in maintaining the general books of account and in reflecting all revenues deposited in the state treasury and expenditures appropriated therefrom, shall group the various bookkeeping accounts in accordance with categories prescribed by this section.

Subd. 2. **General.** General. The general category consists of revenues depos-

ited in the state treasury for the usual, ordinary, running, and incidental expenses of the state government which may be appropriated by the legislature for any lawful purpose.

**Subd. 3. Special revenue.** Special revenue. The special revenue category consists of such revenues from specific taxes or other sources deposited in the state treasury, the expenditures of which is limited by the constitution or law for special or dedicated purposes. Unless federal law otherwise provides, all expenditures appropriated from moneys in the state treasury or otherwise from federal sources shall be consolidated within the special revenue category, but each account shall also retain its individual account identity.

**Subd. 4. Bond.** Bond. The bond category consists of revenues deposited in the state treasury obtained from the sale of bonds, certificates of indebtedness, or similar obligations and expenditures appropriated from such sources.

**Subd. 5. Agency.** Agency. The agency category consists of moneys deposited in the state treasury, which are received, held, and disbursed by the state as a trustee or custodian.

**Subd. 6. Trust.** Trust. The trust category consists of moneys deposited in the state treasury pursuant to the requirements of the constitution providing for four trust funds, and moneys deposited in the state treasury pursuant to the terms of a devise, bequest, deed or gift which limits the use of such moneys.

**Subd. 7. Revolving.** Revolving. The revolving category consists of such revenues deposited in the state treasury and annually appropriated to finance activities of a manufacturing, sale, or service nature and including activities provided with working capital which might involve an element of profit or loss.

**Subd. 8. Other groupings.** Such other categories as may be required by specific amendment to the constitution, by specific statutory enactment, or by the commissioner of finance when accepted governmental accounting practice so requires.

**Subd. 9. Alignment of groupings.** The commissioner of finance shall so align the various categories of bookkeeping accounts as prescribed in this section so that the general and special revenue categories, when combined, shall reflect the actual cost of the operation of the state government.

[1959 c 30 s 4; 1973 c 492 s 14]

**16A.56 SPECIFIC DUTIES.** The commissioner of finance or his designated agents shall examine every receipt, account, bill, claim, refund, and demand against the state, and if a legal, correct, and proper claim, he shall approve the same, designate the account to be charged therefor, and issue his warrant in payment thereof in the manner provided by law. He shall approve all documents and reports showing evidences of payments into receipts by the state treasurer and shall designate the fund to be credited therewith.

[1939 c 431 art 3 s 2; 1955 c 863 s 16; 1973 c 492 s 14] (80-3)

**16A.57 APPROPRIATION AND ALLOTMENT REQUIRED FOR EXPENDITURES.** Unless otherwise expressly provided by law, no money belonging to or for the uses of the state shall be expended or applied by any official, department, or agency of the state government or any institution under its control, except under authority of an appropriation by law and or allotment relating thereto as herein provided and upon warrant of the commissioner of finance.

[1939 c 431 art 3 s 3; 1955 c 863 s 17; 1973 c 492 s 14] (80-4)

**16A.58 SUPERVISION OF ORIGINAL DOCUMENTS.** Except as otherwise provided by law, all original bills, claims, contracts, deeds, leases, demands and vouchers on which money has been or may be paid by the state treasurer shall be kept in the office of the commissioner of finance and shall be under his supervision and control.

[1939 c 431 art 3 s 4; 1955 c 863 s 18; 1973 c 492 s 14] (80-5)

**16A.59 QUARTERLY STATEMENTS.** At the end of every quarterly period and at the end of each fiscal year the commissioner of finance shall prepare and submit to the governor and make available to the public a summary statement showing all revenues and expenses for the period covered by the statement, including a comparison with the previous corresponding period. These statements shall be in sufficient detail as to appropriations and funds as to show the exact financial condition of the state and each department and agency thereof.

[1939 c 431 art 3 s 5; 1955 c 863 s 19; 1973 c 492 s 14] (80-6)

**16A.60 COMMISSIONER OF FINANCE TO PROVIDE A SPECIAL ACCOUNT.**

The commissioner of finance is directed to deduct or reserve from the highway user tax distribution fund a sufficient sum of money which shall constitute a special account for the payment of costs of collecting the taxes provided for in Article XVI of the constitution of the state of Minnesota and for payment of refunds of such taxes as is authorized by law. A sum of money sufficient for such purpose is appropriated from the highway user tax distribution fund. Thereafter all moneys in the highway user tax distribution fund not needed to reimburse such special account for money paid out of such special account for refunds and collection costs shall be transferred as provided in Article XVI of the constitution of the state of Minnesota.

[1959 c 403 s 1; 1973 c 492 s 14]

**16A.61 TRANSFER OF MONEYS TO GENERAL FUND.** The commissioner of finance is hereby authorized and directed to transfer to the general fund in the state treasury, all moneys credited to any fund established in connection with the payment of certificates of indebtedness when the purposes for which the act authorizing such certificates have been accomplished.

[Ex1961 c 88 s 57; 1969 c 399 s 3; Ex1971 c 3 s 56; 1973 c 492 s 14]

**16A.62 SPECIAL FUNDS OR ACCOUNTS, TRANSFER.** Moneys deposited in the state treasury or on deposit on June 30 of each year from tax sources or otherwise to the credit of a special fund or account which is abolished by law shall be transferred to and credited to the general fund.

[Ex1967 c 48 s 97; 1969 c 399 s 4]

**16A.63 MINNESOTA STATE BUILDING FUND.** For the purpose of providing money to state agencies for the acquisition and betterment of public lands and other public improvements of a capital nature, the Minnesota state building fund is created as a separate bookkeeping account in the general books of account of the state. Proceeds of state bonds credited to this fund are appropriated for construction and other permanent improvement and shall be available until the purposes for which the appropriation was made have been accomplished or abandoned. None of such moneys shall be canceled. When the purpose of any such appropriation has been accomplished or abandoned, the authority to whom the appropriation was made shall so certify to the commissioner of finance. Thereupon the unexpended balance of such appropriation, unless transferred under authority of the appropriation act to another purpose therein designated, shall be transferred and credited to the state bond fund. Amounts so transferred and credited are appropriated for the purpose of reducing the amount of tax otherwise required to be levied for the state bond fund by Article IX, Section 6, Subdivision 4 of the Constitution.

[Ex1967 c 8 s 20; 1973 c 492 s 14]

**16A.64 MINNESOTA STATE BUILDING BONDS.** Subdivision 1. For the purpose of providing money appropriated to state agencies from the Minnesota state building fund for the acquisition and betterment of public lands and buildings and other public improvements of a capital nature, when authorized by law, the commissioner of finance shall issue and sell bonds of the state of Minnesota for the prompt and full payment of which, with interest thereon, the full faith, credit, and taxing powers of the state are irrevocably pledged. The proceeds of such bonds shall be credited to said state building fund, except that accrued interest and any premium received on sale of the bonds shall be credited to the state bond fund created by the Constitution, Article IX, Section 6, Subdivision 4.

Subd. 2. The bonds shall be issued and sold upon sealed bids upon such notice, at such times, in such form and denominations, bearing interest at such rate or rates, maturing on such dates, either without option of prior payment or subject to prepayment upon such notice and at such times and prices, payable at such bank or banks, within or without the state, with such provisions for registration, conversion, and exchange and for the issuance of notes in anticipation of the sale and delivery of definitive bonds, and in accordance with such further regulations, as the commissioner of finance shall determine, subject to the approval of the attorney general (but not subject to the provisions of sections 15.0411 to 15.0422). Each bond shall mature within 20 years from its date of issue, shall be sold at not less than par plus accrued interest, and shall be executed by the commissioner of finance and attested by the state treasurer under their official seals.

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The signature of one of these officers on the face of any bond, and their seals, and the signature of both officers on the interest coupons appurtenant to any bond, may be printed, lithographed, stamped, or engraved thereon.

Subd. 3. The commissioner of finance shall ascertain and certify to the purchasers of the bonds the performance and existence of all acts, conditions, and things necessary to make them valid and binding general obligations of the state of Minnesota in accordance with their terms, subject to the approval of the attorney general. Any act directing the issuance of bonds pursuant to this section shall, together with this section, constitute complete authority for such issue, and such bonds shall not be subject to the restrictions or limitations contained in any other law.

Subd. 4. All expenses incidental to the sale, printing, execution, and delivery of bonds pursuant to this section, including, but not limited to, actual and necessary travel and subsistence expenses of state officers and employees for such purposes, shall be paid from the Minnesota state building fund, and the amounts necessary therefor are appropriated from said fund; provided that if any amount is specifically appropriated for this purpose in an act authorizing the issuance of bonds pursuant to this section, such expenses shall be limited to the amount so appropriated.

Subd. 5. The commissioner of finance shall maintain in the state bond fund a separate bookkeeping account which shall be designated as the Minnesota state building bond account. The legislature may appropriate to this account, for the payment of Minnesota state building bonds and interest thereon, any moneys in the state treasury not otherwise appropriated. On the first day of November of each year there shall be transferred to the Minnesota state building bond account all of the moneys then available under any such appropriation or such lesser sum as will be sufficient, with all money previously transferred to said account, and all income from the investment of such money, to pay all principal and interest then and theretofore due and all principal and interest to become due within the next ensuing year and to and including July 1 in the second ensuing year on Minnesota state building bonds. All moneys so transferred and all income from the investment thereof shall be available for the payment of such bonds and interest thereon, and so much thereof as may be necessary is appropriated for such payments. The commissioner of finance and the state treasurer are directed to make the appropriate entries in the accounts of the respective funds.

Subd. 6. The state auditor shall levy each year on all taxable property within the state whatever tax may be necessary to produce an amount sufficient, with all money then and theretofore transferred under subdivision 5, and all income from the investment thereof, to pay the entire amount of principal and interest which is then due or is to become due within the then ensuing year and to and including July 1 of the second ensuing year on Minnesota state building bonds. Such tax shall be levied upon all real property used for the purposes of a homestead, as well as other taxable property, notwithstanding the provisions of section 273.13, subdivisions 6 and 7. Such tax shall be subject to no limitation of rate or amount until all such bonds and interest thereon are fully paid. The proceeds of such taxes are appropriated and credited to the state bond fund, and the principal and interest of said bonds are payable from the proceeds of such taxes, and the whole thereof, or so much thereof as may be necessary, is appropriated for such payments. If at any time there is insufficient money from the proceeds of the taxes provided for herein to pay the principal and interest when due on such bonds, then such principal and interest shall be paid out of the general fund in the state treasury, and the amount necessary therefor is hereby appropriated. The general fund shall be reimbursed from the proceeds of said taxes when received.

[*Ex*1967 c 8 s 21; 1969 c 399 s 1; 1973 c 492 s 14]

**16A.65 STATE BOND FUND; APPROPRIATIONS.** Subdivision 1. In order to reduce the amount of taxes otherwise required to be levied, there is hereby appropriated annually to the state bond fund from the general fund in the state treasury such sums of money sufficient in amount when added to the balance on hand in the state bond fund to pay all principal and interest on state bonds issued for the purposes set forth in subdivision 2, due and to become due within the then ensuing year and including July 1 in the second ensuing year. The moneys received and on hand pursuant to the appropriation annually made by this subdivision are available in the state bond fund prior to the levy of the tax in any year required by the Constitution,

Article 9, Section 6, Subdivision 4, and shall be used to reduce the amount of the tax otherwise required to be levied.

Subd. 2. The state bonds referred to in subdivision 1 are those issued pursuant to the Constitution, Article 9, Section 6, Subdivision 2 to provide funds for the acquisition and betterment of public land and buildings and other public improvements of a capital nature or for refunding certificates of indebtedness authorized by the legislature prior to January 1, 1963.

Subd. 3. In order to reduce the amount of taxes otherwise required to be levied, there is appropriated annually to the Minnesota state building fund from the general fund in the state treasury such sums of money sufficient in amount when added to the balance on hand in such state building fund to pay all principal and interest on certificates of indebtedness issued for the purpose of providing for the state building funds created prior to January 1, 1963, due and to become due within the ensuing year including July 1 in the second ensuing year. The moneys received and on hand pursuant to the appropriation annually made by this subdivision are available in the state building fund prior to the levy of the tax in any year required by the terms of the certificates of indebtedness and shall be used to reduce the amount of tax otherwise required to be levied for the payment of principal and interest on certificates of indebtedness. The moneys in the state building fund are appropriated annually for the purpose of paying the principal and interest on certificates of indebtedness as herein set forth. When all of the outstanding certificates of indebtedness issued as authorized by the legislature prior to January 1, 1963 have been fully paid including the interest thereon, any balances remaining in the state building fund are transferred and returned to the general fund.

Subd. 4. In the issuance of each series of state bonds authorized by law for any purpose the commissioner of finance shall endeavor to establish the maturities thereof in such manner that the sums anticipated to be received in the state bond fund on or before November 1 in each year of the then current biennium from the general fund and from all other sources except property taxes, pursuant to appropriation by any law, will be sufficient to provide for the payment of all state bonds and interest without the levy of a property tax on that date under the provisions of Article IX, Section 6, Subdivision 4 of the Constitution. In the issuance of each such series the commissioner of finance shall also endeavor to estimate whether the issuance thereof, with maturities and other provisions which the commissioner believes to be most advantageous to the state for the marketing of the bonds, is likely, except in the event of refunding of such series, to result in the requirement of a property tax levy in any subsequent year, having regard to the historical and projected receipts from nonproperty tax sources appropriated to the state bond fund. If in the commissioner's judgment such issuance is likely to cause a future property tax levy or refunding, he shall report this fact to the executive council, and the bonds shall not be issued and sold with the proposed maturities and other provisions unless approved by resolution of the executive council; but nothing herein shall impair or affect in any manner the validity or security of any bonds actually issued and sold under authority of any law, in the hands of the initial purchaser or any subsequent holder thereof, regardless of the date and amount of any maturity selected for any series of bonds, in a manner consistent with the law authorizing the issuance of such series.

[*Ex 1967 c 32 art 3 s 1; 1969 c 399 s 1, 5, 6; 1969 c 1047 s 1; 1973 c 492 s 14*]

**16A.66 MINNESOTA STATE REFUNDING BONDS.** Subdivision 1. For the purpose of refunding state bonds of any series heretofore or hereafter authorized the commissioner of finance may with approval by resolution of the executive council issue bonds of the state of Minnesota in a maximum amount equal to the outstanding principal amount of the bonds to be refunded, in the manner and upon the terms and conditions prescribed in this section and in the Constitution, Article IX, Section 6. For the prompt and full payment of all such refunding bonds and the interest thereon the full faith and credit and taxing powers of the state are irrevocably pledged. The proceeds of such bonds shall be credited to the state bond fund created by the Constitution, and within that fund to such separate bookkeeping account as shall have been created for the payment of the bonds to be refunded and the interest thereon.

Subd. 2. Unless otherwise expressly provided in the law authorizing the issuance of any series of bonds, such authorization shall include authorization to the commissioner to issue refunding bonds in a maximum principal amount equal to the



principal amount thereof outstanding at any time, for the purpose of refunding the same in the manner and upon the terms and conditions prescribed in this section. Any act directing the issuance of bonds for any purpose shall, together with this section, constitute complete authority for the issuance of bonds to refund the same, and such refunding bonds shall not be subject to the restrictions or limitations contained in any other law.

Subd. 3. Such refunding bonds shall be issued and sold upon sealed bids, or may be sold directly to the state board of investment without bids, or may be exchanged for bonds refunded by agreement with the holders thereof, and shall be prepared, executed, and delivered, and when issued shall be secured, in the same manner in all respects as provided by law and the Constitution for the bonds refunded thereby. The proceeds of the bonds may be deposited, invested, and applied to accomplish the refunding in the manner and upon the conditions provided in section 475.67, subdivisions 5 to 11. The interest rate on refunding bonds may exceed that on the bonds refunded when in the judgment of the commissioner and council refunding is nevertheless necessary or desirable for the purpose of extending the maturities and reducing the annual property tax or other funds needed to pay and secure the bonds and interest, in lieu of the revenues primarily appropriated for their payment.

Subd. 4. Such moneys as are required to carry out the purposes of this section are appropriated annually therefor.

[1969 c 1047 s 2; 1973 c 35 s 1; 1973 c 492 s 14]

**16A.67 CERTIFICATES OF INDEBTEDNESS.** Subdivision 1. For the purpose of supplying deficiencies in the general fund certificates of indebtedness of the state may be issued in accordance with the provisions of Article IX, Section 6, Subdivision 3 of the Constitution and the further provisions of this section. No such deficiency is deemed to exist by reason of the fact that expenditures pursuant to appropriation and allotment for a particular purpose may at any time exceed the cash receipts from any source of special revenue appropriated to the fund for such purpose, notwithstanding that a "fund" may have been created by law for such purpose and may have been established by the commissioner of finance as a bookkeeping account in the general books of account of the state for the purpose of reflecting the revenues deposited and expenditures appropriated for such purpose in accordance with the provisions of section 16A.53. A deficiency shall be deemed to exist only when the total amount of outstanding warrants drawn on such fund, pursuant to appropriation and allotment for all purposes and accounts of the fund, exceeds the cash balance in the fund. In this event a deficiency shall be deemed to exist in the general fund, notwithstanding that there may then be a balance of cash or investments on hand in one or more special or dedicated funds created by the Constitution or required to be created and maintained as separate funds by federal law or by rules or regulations promulgated by federal authority pursuant thereto; and this section does not authorize a transfer of money from any special or dedicated fund to the general fund, except by the issuance and sale of certificates of indebtedness as herein provided.

Subd. 2. Whenever it becomes necessary in order to avoid a deficiency in the general fund for the payment of warrants issued or to be issued against such fund pursuant to appropriations, the governor may authorize the issuance and sale of certificates of indebtedness of the state pursuant to and in accordance with Article IX, Section 6, Subdivision 3, of the Constitution, in anticipation of the collection of taxes levied for any other revenues appropriated to the fund for expenditure during the current biennium. To determine such necessity the governor shall obtain from the commissioner of revenue an estimate of the probable receipts from taxes and from the commissioner of administration an estimate of the probable receipts from other sources for the fund during the biennium, and from the commissioner of finance a statement of the total amount appropriated for expenditure from the fund during the biennium and the total amount of warrants drawn thereon to date, and from the state treasurer a statement of the cash balance in the fund. The total amount of certificates of indebtedness issued, plus the total amount of outstanding certificates of indebtedness issued against the same fund, plus the interest from date of issue to maturity on all such certificates of indebtedness, plus the total amount of warrants drawn on the fund during the current biennium and any interest theretofore paid on such warrants, plus the total cash balance then on hand in the fund, shall not exceed (a) the total amount appropriated for expenditure from the

fund or (b) the total estimated collections of taxes and other revenues appropriated to the fund for the biennium, whichever is less; and the total amount of such certificates issued and outstanding at any time shall not exceed \$100,000,000.

Subd. 3. Before authorizing any such issue the governor shall secure the recommendation of the legislative advisory committee as to the necessity and amount thereof, which recommendation shall be advisory only. The failure or refusal of the advisory committee, if there be one, to make a recommendation promptly shall be deemed a negative recommendation. If there be no such committee, the governor, the commissioner of finance, and the state treasurer, as a special committee, may authorize the issuance and sale of the certificates of indebtedness.

Subd. 4. When authorized, certificates of indebtedness shall be issued and sold by the commissioner of finance upon sealed bids after two weeks' published notice, or they may be sold directly to the state board of investment without advertisements for bids, upon the same terms as those on which, in the judgment of the board, other investments of comparable character and security can at the time be purchased for funds under its control. Certificates of indebtedness shall mature not later than the last day of the biennium in which they are issued and shall be sold for not less than par plus accrued interest. Subject to the foregoing limitations, but not subject to the provisions of sections 15.0411 to 15.0422, they shall be issued and sold in such number of series, at such times, in such form and denominations, bearing interest at such rate or rates, maturing on such dates, either without option of prior redemption or subject to prepayment upon such notice and at such times and prices, payable at such bank or banks, within or without the state, with such provisions for registration of transfer of principal or interest or both and for conversion and exchange, and in accordance with such further regulations, as the commissioner of finance may determine with the approval of the attorney general. Certificates of indebtedness shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The signature of one of these officers on the face of any certificate of indebtedness, and their seals, and the signatures of both officers on any appurtenant interest coupons, may be printed, lithographed, stamped, or engraved thereon.

Subd. 5. The commissioner of finance shall ascertain and certify to purchasers of all certificates of indebtedness, subject to the approval of the attorney general, the performance and existence of all acts, conditions, and things necessary to make them valid and binding general obligations of the state of Minnesota in accordance with their terms. This section shall constitute complete authority for each such issue, and such certificates of indebtedness shall not be subject to the restrictions or limitations contained in any other law.

Subd. 6. The proceeds of all certificates of indebtedness issued pursuant to the foregoing provisions of this section are appropriated to the general fund for any expenditure appropriated from that fund. The principal of and interest on all such certificates of indebtedness, and all expenses incidental to the sale, printing, execution, and delivery of such certificates, including, but not limited to, actual and necessary travel and subsistence expenses of state officers and employees for such purposes, shall be paid from the general fund, and the amounts necessary therefor are appropriated from said fund.

Subd. 7. If moneys received in the fund during any biennium in which certificates of indebtedness are issued, pursuant to the foregoing provisions of this section, are not sufficient to pay all such certificates of indebtedness and interest thereon to maturity, the deficiency may be paid by the issuance and sale of refunding certificates of indebtedness in the same manner and upon the same conditions as the original certificates of indebtedness, except that such issuance may be authorized by the governor in the amount of the deficiency as certified to him by the state treasurer, and the refunding certificates of indebtedness shall mature not later than December 1, of the year following the close of the biennium in which the original certificates were issued. If moneys on hand in such fund on December 1 immediately following the close of said biennium are not sufficient to pay all of the original and refunding certificates of indebtedness which are then outstanding, with interest thereon to their maturities or earliest redemption dates, the state auditor shall levy upon all taxable property in the state a tax collectible in the then ensuing year, sufficient to make such payment.

[*Ex*1967 c 48 s 58; 1969 c 399 s 7-9; 1973 c 492 s 14; 1973 c 582 s 3]

**16A.68 FEDERAL ACCOUNTS, TRANSFERS.** The Pittman-Robertson revol-

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ing account in the state treasury is abolished on July 1, 1963, and any balances therein are transferred to the game and fish receipts account in the state treasury. Federal aid reimbursements received on and after July 1, 1963, and due the Pittman-Robertson account shall be deposited to the credit of the game and fish receipts account in the state treasury. The Dingell-Johnson revolving account in the state treasury is abolished on July 1, 1963, and any balances therein are transferred to the game and fish receipts account in the state treasury. Federal aid reimbursements received on and after July 1, 1963, and due the Dingell-Johnson account shall be deposited to the credit of the game and fish receipts account in the state treasury.

[*Ex*1967 c 48 s 74]

**16A.69 TRANSFER OF APPROPRIATED FUNDS INTO SINGLE PROJECT ACCOUNT.** If moneys are appropriated during the same or different sessions of the legislature for the same or related projects which appropriations do not lapse until the purposes for which the appropriations were made shall have been accomplished or abandoned, the commissioner of finance shall, upon the certification of the commissioner of administration as to the accounts involved, make such transfers of appropriations as will place in one account all of the moneys appropriated for the same or related projects.

[1969 c 1155 s 11; 1973 c 492 s 14]

**16A.70 TACONITE PROPERTY TAX RELIEF FUND; CREATION; FUNCTION.** A taconite property tax relief account in the apportionment fund in the state treasury is hereby created in the state treasury by the commissioner of finance. All funds made available from any sources to be deposited in the state treasury to the credit of such account shall be deposited therein. All moneys to be paid from such account pursuant to the provisions of Laws 1969, Chapter 1156 or any other law are hereby appropriated annually from said account for the purpose for which payment is to be made.

[1969 c 1156 s 3; 1973 c 492 s 14]

**16A.71 TACONITE MUNICIPAL AID ACCOUNT; CREATION; FUNCTION.** A taconite municipal aid account in the apportionment fund of the state treasury is hereby created in the state treasury. All funds available to the credit of such account under section 298.281, subdivision 4 shall be deposited therein. All moneys to be paid from such account pursuant to the provisions of Extra Session Laws 1971, Chapter 31, Article 30, or any other law are hereby appropriated annually from said account for the purpose for which payment is to be made.

[*Ex*1971 c 31 art 30 s 5]

**16A.72 INCOME PLACED IN GENERAL FUND.** Except as herein otherwise provided for by law, and except as provided in sections 16.78 and 85.22, all income, including fees or receipts of any nature whatsoever, except all federal aid, contributions, or reimbursements received for any account of any division or department for which an appropriation is made by law, shall be deposited in and for the benefit of the general fund.

[*Ex*1971 c 3 s 54]