CHAPTER 16A

DEPARTMENT OF FINANCE

16A.06 OTHER COMMISSIONER DUTIES AND POWERS.

[For text of subds 1 to 7, see M.S.1986]

Subd. 8. **Contract delegation.** The commissioner may delegate the commissioner's contract review and execution powers in section 16B.06, subdivision 2, to officials in other state agencies on determining that the delegation will improve the operation of state government.

History: *1987 c 275 s 2*

16A.126 REVOLVING FUND BILLING.

[For text of subd 1, see M.S.1986]

Subd. 2. **Immediate needs.** To reduce reserves for unforeseen needs, and so reduce these rates, the commissioner may transfer money from the general fund to a revolving fund. Before doing so, the commissioner must decide there is not enough money in the revolving fund for an immediate, necessary expenditure. The amount necessary to make the transfer is appropriated from the general fund to the commissioner of finance.

[For text of subd 3, see M.S.1986]

History: *1987 c 275 s 3*

16A.127 INDIRECT COSTS.

[For text of subds 1 and 2, see M.S.1986]

Subd. 3. **Reimbursement.** (a) Under the plan, the commissioner shall make and record the reimbursement to the general fund of the statewide indirect costs attributable to an executive agency's nongeneral fund receipts for the last fiscal year. Unless the commissioner determines that agency indirect cost receipts are a reimbursement for general fund expenditures, the receipts are appropriated to the agency to pay administrative expenses. However, the commissioner may, for reasons of sound financial management, waive the reimbursement under this subdivision for certain nongeneral fund receipts. The commissioner shall report all waivers in the next statewide indirect cost plan.

(b) There is annually appropriated from all direct appropriated nongeneral funds an amount sufficient to reimburse the general fund for statewide indirect costs.

[For text of subds 4 to 7, see M.S.1986]

Subd. 8. **Exemption.** This section does not apply to the community college system, state universities, or the state board of vocational technical education. Except for federal funds, this section does not apply to the department of natural resources for agency indirect costs.

Subd. 9. **Waiver.** The commissioner of natural resources need not bill the federal government for the indirect costs of providing emergency fire fighting services, and need not reimburse the general fund for those indirect costs, if the commissioner determines that the emergency fire fighting is in the best interest of the state. The commissioner of natural resources need not bill another state or Canadian province for the indirect costs of providing emergency fire fighting services, and need not reimburse the general fund for those indirect costs, if the other state or Canadian province agrees not to bill the state of Minnesota for the indirect costs of emergency fire fighting services provided by the other state.

History: *1987 c 264 s 1; 1987 c 275 s 4; 1987 c 404 s 76*

16A.133 CREDIT UNION, PARKING, OTHER DEDUCTIONS.

Subdivision 1. **Credit union; organization; company.** An agency head may, with the written request of an employee, deduct from the pay of the employee a requested amount to be paid to any state employees' credit union, or the Minnesota benefit association, or to any organization contemplated by section 179A.06, of which the employee is a member, or to a company that has contracted to insure the employee for the medical costs of cancer or intensive care. If an employee is a member of more than one such credit union or more than one such organization, or is insured by more than one company, only one credit union and one organization and one company may be paid money by payroll deduction from the employee's pay. No deduction may be made from the salary of an employee for payment to a credit union or organization or company unless 100 employees request deductions for payment to the credit union or organization or company. The 100 employee minimum does not apply to credit unions and organizations which received authorized payroll deduction payments on June 5, 1971.

[For text of subds 2 and 3, see M.S.1986]

History: *1987 c 337 s 1*

16A.15 ACCOUNTING SYSTEM; ALLOTMENT AND ENCUMBRANCE.

Subdivision 1. **Reduction.** (a) If the commissioner determines that probable receipts for the general fund will be less than anticipated, and that the amount available for the remainder of the biennium will be less than needed, the commissioner shall, with the approval of the governor, and after consulting the legislative advisory commission, reduce the amount in the budget and cash flow reserve account established in subdivision 6 as needed to balance expenditures with revenue.

(b) An additional deficit shall, with the approval of the governor, and after consulting the legislative advisory commission, be made up by reducing unexpended allotments of any prior appropriation or transfer. Notwithstanding any other law to the contrary, the commissioner is empowered to defer or suspend prior statutorily created obligations which would prevent effecting such reductions.

(c) If the commissioner determines that probable receipts for any other fund, appropriation, or item will be less than anticipated, and that the amount available for the remainder of the term of the appropriation or for any allotment period will be less than needed, the commissioner shall notify the agency concerned and then reduce the amount allotted or to be allotted so as to prevent a deficit.

(d) In reducing allotments, the commissioner may consider other sources of revenue available to recipients of state appropriations and may apply allotment reductions based on all sources of revenue available.

(e) In like manner, the commissioner shall reduce allotments to an agency by the amount of any saving that can be made over previous spending plans through a reduction in prices or other cause.

[For text of subds 2 to 5, see M.S.1986]

Subd. 6. **Budget and cash flow reserve account.** A budget and cash flow reserve account is created in the general fund in the state treasury. The commissioner of finance shall, as authorized from time to time by law, restrict part or all of the budgetary balance in the general fund for use as the budget and cash flow reserve account. The commissioner of finance on July 1, 1987, shall transfer to the budget and cash flow reserve account the amount necessary to bring the total amount, including any existing balance in the account on June 30, 1987, to $250,000,000. The amounts restricted shall remain in the account until drawn down under subdivision 1.

[For text of subd 7, see M.S.1986]

History: *1987 c 268 art 18 s 1,2*

16A.1541 ADDITIONAL REVENUES; PRIORITY.

If on the basis of a forecast of general fund revenues and expenditures the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money in the following order of priority:

(1) the amount necessary to reduce the property tax levy recognition percent under section 121.904, subdivision 4c, to 24 percent;

(2) the remainder (i) one-half to the greater Minnesota fund, but not to exceed $120,000,000 and (ii) one-half to the budget and cash flow reserve account until the total amount in the account equals $550,000,000.

The amounts necessary to meet the requirements of clauses (1) and (2) are appropriated from the general fund.

History: *1987 c 268 art 18 s 3*

16A.26 ONE DEPOSITORY ACCOUNT FOR EACH TAX.

Notwithstanding sections 290.361, 297.13, 298.17, 298.282, 298.39, 298.396, 297C.02 to 297C.08 and similar laws to the contrary relating to the depositing, disposition, or apportionment of tax receipts, the commissioner may use one depository account for each tax. To do so, there must be enough information to identify and dispose of or apportion the tax under law. The commissioner shall ask the appropriate officials for the transfers and necessary certifications. The commissioner may issue directives to carry out this section.

History: *1987 c 268 art 9 s 1*

16A.275 AGENCY RECEIPTS; DEPOSIT, REPORT, CREDIT.

Subdivision 1. **If $250, daily.** Except as otherwise provided by law, an agency shall deposit receipts totaling $250 or more in the state treasury daily. The depositing agency shall send a report to the commissioner on the disposition of receipts since the last report. The commissioner shall credit the deposits received during a month to the proper funds not later than the first day of the next month.

Notwithstanding the general rule stated above, the commissioner of revenue is not required to make daily deposits if (1) the volume of tax receipts cannot be processed daily with available resources, or (2) receipts cannot be immediately identified for posting to accounts.

Subd. 2. **Exception.** The commissioner may authorize an agency to deposit receipts totaling $250 or more less frequently than daily for those locations where the agency furnishes documentation to the commissioner that the cost of making daily deposits exceeds the lost interest earnings and the risk of loss or theft of the receipts.

History: *1987 c 268 art 18 s 4; 1987 c 275 s 5*

16A.284 APPROPRIATIONS TO CONSTITUTIONAL OFFICERS.

If an appropriation for a constitutional officer for either fiscal year of a biennium is insufficient, the appropriation for the other fiscal year of the biennium is available for it.

History: *1987 c 404 s 77*

16A.36 GRANTS FROM AND ADVANCES TO UNITED STATES.

[For text of subd 1, see M.S.1986]

Subd. 2. **Reciprocal interest policy.** The commissioner may, if required by the federal government or by agreement with the proper federal authorities, establish an equitable policy providing for the state to pay interest on undisbursed federal money, and providing for the federal government to pay interest to the state on state funds advanced for a federal assistance program. The amount needed to pay the interest is appropriated from the general fund or another fund earning the interest on undisbursed federal money. The interest received from the federal government shall be deposited in the fund that lost interest on state funds advanced for a federal assistance program.

History: *1987 c 275 s 6*

16A.48 REFUND OF ERRONEOUS DEPOSITS.

Subdivision 1. **Procedure.** A verified claim may be submitted to the concerned agency head for refund of money in the treasury to which the state is not entitled. The claimant must submit with the claim a complete statement of facts and reasons for the refund. The agency head shall consider and approve or disapprove the claim, attach a statement of reasons, and forward the claim to the commissioner for settlement. No claim may be approved unless the agency head first obtains from the attorney general written certification that the refund will not jeopardize any rights of setoff or recoupment held by the state and any subdivision thereof, including local governments. Upon the exercise of any setoff or recoupment, the attorney general shall certify the amount of the remainder, if any, that may be appropriated and paid.

[For text of subd 2, see M.S.1986]

History: *1987 c 268 art 19 s 1*

16A.661 GENERAL OBLIGATION SPECIAL TAX BONDS.

Subdivision 1. **Authority.** When authorized by law enacted in accordance with the constitution, article XI, sections 5 and 7, the commissioner may by order sell and issue general obligation special tax bonds of the state evidencing public debt incurred for any purpose stated in the law. The bonds are payable primarily from the proceeds of special taxes appropriated to special tax bond debt service accounts established in subdivision 3 and other money on hand in that fund from time to time; however, the bonds are general obligations of the state, and the full faith and credit of the state are pledged for their payment.

Subd. 2. **Manner of issuance; maturities.** The bonds must be issued and sold in accordance with section 16A.641, except that the maturities of the bonds and the interest rates applicable to the bonds must be fixed so that the principal and interest coming due in the 1987-1989 biennium on all bonds outstanding at any time does not exceed $46,750,000. Sections 16A.672 and 16A.675 apply to the bonds.

Subd. 3. **Establishment of debt service fund; appropriation of debt service fund money.** (a) There is established within the state bond fund a separate and special account designated as a general obligation special tax bond debt service account. There must be credited to this debt service account in each fiscal year from the tobacco tax revenue fund established in section 297.13 an amount sufficient to increase the balance on hand in the debt service account on each December 1 to an amount equal to the full amount of principal and interest to come due on all outstanding bonds whose debt service is payable primarily from proceeds of the tax to and including the second following July 1. The money on hand in the debt service account must be used solely for the payment of the principal of, and interest on, the bonds, and is appropriated for this purpose. This appropriation does not cancel as long as any of the bonds remain outstanding.

(b) There is established within the state bond fund a separate and special account designated as a general obligation special tax bond debt service account. There must be credited to this debt service account in each fiscal year from the sports and health club sale tax revenue fund established in section 49 an amount sufficient to increase the balance on hand in the debt service account on each December 1 to an amount equal to the full amount of principal and interest to come due on all outstanding bonds whose debt service is payable primarily from proceeds of the tax to and including the second following July 1. The money on hand in the debt service account must be used solely for the payment of the principal of, and interest on, the bonds, and is appropriated for this purpose. This appropriation does not cancel as long as any of the bonds remain outstanding.

Subd. 4. **Appropriation from general fund.** There is annually appropriated to the general obligation special tax bond debt service accounts from the general fund the amount that, added to the amount in the general obligation special tax bond debt service accounts on December 1 each year, after giving effect to subdivision 3, is equal to the full amount of principal and interest to come due on all bonds to and including July 1 in the second ensuing year.

Subd. 5. **Constitutional tax levy.** Under the constitution, article XI, section 7, the state auditor must levy each year on all taxable property within the state a tax sufficient, with the amount then on hand in the general obligation special tax bond debt service accounts, to pay all principal and interest on the bonds due and to become due to and including July 1 in the second ensuing year. The tax is not subject to limit as to rate or amount. However, the amount of money appropriated from other sources as provided in subdivisions 3 and 4, and actually received and on hand before the levy in any year, reduces the amount of the tax otherwise required to be levied. The proceeds of the tax must be credited to the appropriate general obligation special tax bond debt service account.

Subd. 6. **Taxability; certification.** The commissioner shall ascertain from state records and certify to the initial purchasers of each series of bonds, subject to the approval of the attorney general, that all conditions exist and all actions have been taken that are needed to make the series of bonds valid and binding general obligations of the state in accordance with their terms. The bonds may be issued without regard to whether the interest to be paid on them is includable in gross income for federal tax purposes. However, if it is intended that the interest on the bonds be exempt from federal income taxes, the commissioner shall also certify for the state on the date of issue the facts, estimates, and circumstances that lead the commissioner reasonably to expect that the proceeds of the bonds and the projects financed by them will not be used in a way that would cause the interest on the bonds to be subject to federal income taxes; the commissioner may covenant and agree with the holders of the bonds that the state will comply with the provisions of the United States Internal Revenue Code now or hereafter enacted that are or may be applicable to the bonds and that establish conditions under which the interest to be paid on the bonds will not be subject to federal income taxes; and the commissioner and all other state officers shall take the actions or refrain from taking the actions necessary to comply with the covenants. Money required to be spent for compliance is appropriated to the commissioner from the general fund.

Subd. 7. **Application and appropriation of proceeds.** The proceeds of the bonds must be deposited and spent as provided in this subdivision and are appropriated for those purposes. Any accrued interest and any premium received on the sale of the bonds, and any amount of bond proceeds determined by the commissioner to be needed to pay interest payable on the bonds up to 18 months following their issuance, must be credited to the appropriate general obligation special tax bond debt service account. Except as otherwise required by law, the balance of the bond proceeds shall be credited to the state building fund and spent for the purposes specified in the law authorizing the issuance of the bonds. So much of the proceeds as is necessary must be used to pay costs incurred in issuing and selling the bonds.

History: *1987 c 400 s 31*

16A.80 OFFICE OF DEBT AND LOAN MANAGEMENT.

[For text of subds 1 and 2, see M.S.1986]

Subd. 2a. **Exempt agencies.** This section does not apply to:

(1) the housing finance agency;

(2) the state board of investment;

(3) the iron range resources and rehabilitation board;

(4) the higher education coordinating board; and

(5) the higher education facilities authority.

[For text of subds 3 and 4, see M.S.1986]

History: *1987 c 386 art 5 s 2*

16A.85 MASTER LEASE.

[For text of subds 1 to 5, see M.S.1986]

Subd. 6. **Budget offset.** The commissioner of finance shall reduce the operating budgets of state agencies that use the master lease program. The amount of the reduction is the difference between the budgeted purchase price of the equipment and the actual master lease payments.

History: *1987 c 404 s 78*