

CHAPTER 16A

DEPARTMENT OF FINANCE

16A.055	Some of the commissioner's duties.	16A.27	State funds; deposit; control by commissioner.
16A.065	Prepay software, subscriptions, United States documents.	16A.531	Funds created.
16A.10	Budget preparation.	16A.58	Commissioner custodian of payment documents.
16A.11	Budget to legislature.	16A.631	Bond proceeds fund.
16A.123	Approved complement.	16A.641	State bonds; appropriations.
16A.125	State forest trust lands.	16A.661	General obligation special tax bonds.
16A.133	Credit union, parking, other deductions.	16A.69	Appropriations into single project account.
16A.1541	Additional revenues; priority.	16A.85	Master lease.
16A.26	One depository account for each tax.		

16A.055 SOME OF THE COMMISSIONER'S DUTIES.

Subdivision 1. **List.** The commissioner shall:

- (1) receive and record all money paid into the state treasury and safely keep it until lawfully paid out;
- (2) manage the state's financial affairs;
- (3) keep the state's general account books according to generally accepted government accounting principles;
- (4) keep expenditure and revenue accounts according to generally accepted government accounting principles;
- (5) develop, provide instructions for, prescribe, and manage a state uniform accounting system;
- (6) provide to the state the expertise to ensure that all state funds are accounted for under generally accepted government accounting principles; and
- (7) coordinate the development of, and develop standards for, internal auditing in state agencies and, in cooperation with the commissioner of administration, report to the legislature and the governor by December 31, 1990, on progress made.

[For text of subds 2 to 5, see M.S.1988]

History: 1989 c 351 s 14

16A.065 PREPAY SOFTWARE, SUBSCRIPTIONS, UNITED STATES DOCUMENTS.

Despite section 16A.41, subdivision 1, the commissioner may allow an agency to make advance deposits or payments for software or software maintenance services for state-owned or leased electronic data processing equipment, for sole source maintenance agreements where it is not cost effective to pay in arrears, for exhibit booth space rental when required by the renter to guarantee the availability of space, for registration fees where advance payment is required or advance payment discount is provided, and for newspaper, magazine, and other subscription fees customarily paid for in advance. The commissioner may also allow advance deposits by any department with the Library of Congress and federal Supervisor of Documents for items to be purchased from those federal agencies.

History: 1989 c 271 s 1

16A.10 BUDGET PREPARATION.

Subdivision 1. **By May 1 and September 1.** Each even-numbered calendar year the commissioner shall prepare the budget for all agencies, subject to the approval of the governor. The commissioner shall consult with the chairs of the senate finance committee and house of representatives appropriations committee, as well as their respective division chairs, before adopting a format for the biennial budget document.

By May 1, the commissioner shall send the proposed budget forms to the appropriations and finance committees. The committees have until June 1 to give the commissioner their advisory recommendations on possible improvements. By September 1, the commissioner shall send each agency enough forms to make its budget estimates. The forms must show actual expenditures and receipts for the two most recent fiscal years, estimated expenditures and receipts for the current fiscal year, and estimates for each fiscal year of the next biennium, and an estimated appropriation balance at the end of the current fiscal year. Estimated expenditures must be classified by funds and character of expenditures and may be subclassified by programs and activities. Agency revenue estimates must show how the estimates were made and what factors were used. Receipts must be classified by funds, programs, and activities. Expenditure and revenue estimates must be based on the law in existence at the time the estimates are prepared.

[For text of subds 2 and 3, see M.S.1988]

History: 1989 c 335 art 1 s 59

16A.11 BUDGET TO LEGISLATURE.

[For text of subds 1 and 2, see M.S.1988]

Subd. 3. Part two: detailed budget. Part two of the budget, the detailed budget estimates both of expenditures and revenues, shall also include statements of the bonded indebtedness of the state, 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 on the financial plan which the governor believes desirable or which may be required by the legislature. The detailed estimates shall include the budget request of each agency arranged in tabular form so it may readily be compared with the governor's budget for each agency. They shall also include, as part of each agency's organization chart, a summary of the personnel employed by the agency, showing the complement approved by the legislature for the current biennium, additional complement positions authorized through the governor or the commissioner, positions transferred into or out of the agency, additional part-time and seasonal positions and the number of employees of all kinds employed by the agency on June 30 of the last complete fiscal year. The summary of the number of employees must list employees by employment status, including but not limited to full-time unlimited, part-time unlimited, full-time or part-time seasonal, intermittent, full-time or part-time temporary, full-time or part-time emergency, and other. The summary of personnel shall also be shown for each functional division of the agency, and for each fund and type of appropriation.

[For text of subd 4, see M.S.1988]

History: 1989 c 81 s 1

16A.123 APPROVED COMPLEMENT.

[For text of subds 1 to 4, see M.S.1988]

Subd. 5. Department of natural resources complement. (a) Beginning with the biennium ending June 30, 1991, the legislature shall establish complements for the department of natural resources based on the number of full-time equivalent positions and dollars appropriated for salary-related expenditures.

The commissioner of natural resources shall provide a biennial report indicating the distribution of the full-time equivalents for the previous biennium as a supplement to the agency's biennial budget request for succeeding bienniums. The biennial budget document submitted to the legislature by the governor beginning with the 1992-1993 biennium shall indicate, by activity, the number of full-time equivalent positions

included as base level and recommended changes. The governor's salary requests for the agency shall include all full-time, part-time, and seasonal dollars requested. Any change level request submitted to the legislature for consideration by the governor as part of the governor's biennial budget containing funding for salaries shall indicate the number of additional full-time equivalent positions and salary dollars requested.

Within the full-time equivalent number and amount of salary dollars appropriated for the department, the commissioner shall have the authority to establish as many full-time, part-time, or seasonal positions as required to accomplish the assigned responsibilities for the department. The commissioner shall have the authority to reallocate salary dollars for other operating expenses, but the commissioner shall not have authority to reallocate other operating funds to increase the total amount appropriated for salary-related expenses, including salary supplement, without receiving prior approval according to the process defined in this subdivision.

In the event that the commissioner finds it necessary to exceed the full-time equivalent number or the amount of appropriated dollars and the legislature is not in session, the commissioner shall seek approval of the legislative advisory commission under subdivision 4. Legislative advisory commission approved full-time equivalent positions and dollars shall not become a part of the agency budget base unless authorized by the legislature.

(b) This subdivision does not apply to emergency firefighting crews. Subdivisions 1, 2, and 3 do not apply to the department of natural resources.

History: 1989 c 335 art 1 s 60

16A.125 STATE FOREST TRUST LANDS.

Subd. 5. Suspense account. The term "state forest trust fund lands" as used in this subdivision, means public land in trust under the constitution set apart as "forest lands under the authority of the commissioner" of natural resources as defined by section 89.001, subdivision 13.

The commissioner of finance and the treasurer shall credit the revenue from the forest trust fund lands to the forest suspense account. The account must specify the trust funds interested in the lands and the respective receipts of the lands.

After a fiscal year, the commissioner of finance shall certify the total costs incurred for forestry during that year under appropriations for the protection, improvement, administration, and management of state forest trust fund lands. The certificate must specify the trust funds interested in the lands. The commissioner of natural resources shall supply the commissioner of finance with the information needed or the certificate.

After a fiscal year, the commissioner and the treasurer shall distribute the receipts credited to the suspense account during that fiscal year as follows:

(a) The amount of the certified costs incurred by the state for forest management during the fiscal year shall be transferred to the general fund.

(b) The balance of the receipts shall then be returned prorated to the trust funds in proportion to their respective interests in the lands which produced the receipts.

[For text of subs 5a and 6, see M.S. 1988]

History: 1989 c 335 art 4 s 7

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

Subdivision 1. Payroll direct deposit and deductions. An agency head in the executive, judicial, and legislative branch may, upon written request signed by an employee, directly deposit all or part of an employee's pay in any credit union or financial institution, as defined in section 47.015, designated by the employee. An agency head may, upon written request of an employee, deduct from the pay of the employee a requested amount to be paid to 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 or has accounts with more than one credit union or financial institution or more than one organization under section 179A.06, or is insured by more than one company, only one credit union or financial institution and one organization and one company may be paid money by direct deposit or by payroll deduction from the employee's pay.

[For text of subd 2, see M.S.1988]

Subd. 3. [Repealed, 1989 c 335 art 1 s 270]

History: 1989 c 335 art 1 s 61

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 to the budget and cash flow reserve account until the total amount in the account equals five percent of total general fund appropriations for the current biennium as established by the most recent legislative session after reducing the property tax levy recognition percent under section 121.904, subdivision 4a, to 27 percent.

The amounts necessary to meet the requirements of this section are appropriated from the general fund.

History: 1989 c 329 art 1 s 1

16A.26 ONE DEPOSITORY ACCOUNT FOR EACH TAX.

Notwithstanding sections 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: 1989 c 209 art 2 s 4

16A.27 STATE FUNDS; DEPOSIT; CONTROL BY COMMISSIONER.

[For text of subs 1 to 4, see M.S.1988]

Subd. 5. **Charges, compensating balances.** The commissioner may agree to pay a depository a reasonable charge, to maintain appropriate compensating balances with the depository, or purchase noninterest bearing certificates of deposit from the depository for performing depository related services.

History: 1989 c 271 s 2

16A.531 FUNDS CREATED.

Subdivision 1. **Environmental fund.** There is created in the state treasury an environmental fund as a special revenue fund for deposit of receipts from environmentally related fees and activities conducted by the state.

Subd. 2. **Natural resources fund.** There is created in the state treasury a natural resources fund as a special revenue fund for deposit of certain receipts from fees and services associated with natural resource management by the state.

History: 1989 c 335 art 4 s 8

16A.58 COMMISSIONER CUSTODIAN OF PAYMENT DOCUMENTS.

The commissioner is the custodian of original documents on which money has been or may be paid out of or received in the state treasury.

History: 1989 c 271 s 3

16A.631 BOND PROCEEDS FUND.

The bond proceeds fund is established to receive state bond proceeds appropriated to agencies to acquire and to better public land and buildings and other public improvements of a capital nature, as authorized by the constitution, article XI, section 5, clause (a).

History: 1989 c 271 s 4

16A.641 STATE BONDS; APPROPRIATIONS.

[For text of subds 1 to 6, see M.S.1988]

Subd. 7. **Credit of proceeds.** (a) Proceeds of bonds issued under each law must be credited by the commissioner to a special fund, as provided in this subdivision.

(b) Accrued interest and any premium received on sale of the bonds must be credited to the state bond fund created by the constitution, article XI, section 7.

(c) Proceeds of state building bonds must be credited to the bond proceeds fund under section 16A.631.

(d) Proceeds of state highway bonds must be credited to the trunk highway fund under the constitution, article XIV, section 6.

(e) Proceeds of bonds issued for programs of grants or loans to political subdivisions must be credited to special accounts in the bond proceeds fund or to special funds established by laws stating the purposes of the grants or loans, and the standards and criteria under which an executive agency is authorized to make them.

(f) Proceeds of refunding bonds must be credited to the state bond fund as provided in section 16A.66, subdivision 1.

[For text of subds 8 to 13, see M.S.1988]

History: 1989 c 271 s 5

16A.661 GENERAL OBLIGATION SPECIAL TAX BONDS.

[For text of subds 1 to 6, see M.S.1988]

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 bond proceeds 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: 1989 c 271 s 6

16A.69 APPROPRIATIONS INTO SINGLE PROJECT ACCOUNT.

Subdivision 1. **Appropriations into single project account.** The commissioner shall place the money from two or more appropriations for the same or related projects in one account if all the appropriations do not lapse until their purposes are accomplished or abandoned. The commissioner of administration shall first certify which accounts are involved to the commissioner.

Subd. 2. **Transfer between accounts.** Upon the awarding of final contracts for the completion of a project for construction or other permanent improvement, or upon the abandonment of the project, the agency to whom the appropriation was made may transfer the unencumbered balance in the project account to another project enumerated in the same section of that appropriation act. The transfer must be made only to

cover bids for the other project that were higher than was estimated when the appropriation for the other project was made and not to cover an expansion of the other project. The money transferred under this section is appropriated for the purposes for which transferred. For transfers by the state board of vocational technical education, the total cost of both projects and the required local share for both projects are adjusted accordingly. The agency proposing a transfer shall report to the chair of the senate finance committee and the chair of the house appropriations committee before the transfer is made under this subdivision.

History: 1989 c 300 art 1 s 24

16A.85 MASTER LEASE.

Subdivision 1. Authorization. The commissioner of administration may determine, in conjunction with the commissioner of finance, the personal property needs of the various state departments, agencies, boards, and commissions of the kinds identified in this subdivision that may be economically funded through a master lease program and request the commissioner of finance to execute a master lease. The master lease may be used only to finance the following kinds of purchases:

(a) The master lease may be used to finance purchases by the commissioner of administration with money from an internal services fund.

(b) The master lease may be used to refinance a purchase of equipment already purchased under a lease-purchase agreement.

(c) The master lease may be used to finance purchases of large equipment with a capital value of more than \$100,000 and a useful life of more than ten years.

(d) The legislature may specifically authorize a particular purchase to be financed using the master lease. The legislature anticipates that this authorization will be given only to finance the purchase of major pieces of equipment with a capital value of more than \$10,000.

The commissioner of finance may authorize the sale and issuance of certificates of participation relative to a master lease in an amount sufficient to fund these personal property needs. The term of the certificates must be less than the expected useful life of the equipment whose purchase is financed by the certificates. The commissioner of administration may use the proceeds from the master lease or the sale of the certificates of participation to acquire the personal property through the appropriate procurement procedure in chapter 16B. Money appropriated for the lease or acquisition of this personal property is appropriated to the commissioner of finance to make master lease payments.

[For text of subd 2, see M.S.1988]

Subd. 3. Master leases not debt. The commissioner of finance may not enter into a master lease unless the commissioner of finance has conducted a demand survey of the amount of projected rentals and determines that money has been appropriated and allotted for the payment of the maximum amount of rentals that are projected to be payable from state money and that are projected to be due or to become due during the appropriation period in which the lease contract is entered into. A master lease does not constitute or create a general or moral obligation or indebtedness of the state in excess of the money from time to time appropriated or otherwise available for the payment of rent coming due under the lease, and the state has no continuing obligation to appropriate money for the payment of rent or other obligations under the lease. Rent due under a master lease during a current lease term for which money has been appropriated is a current expense of the state.

[For text of subds 4 to 6, see M.S.1988]

History: 1989 c 271 s 7,8