

## CHAPTER 16A

## DEPARTMENT OF FINANCE

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**16A.011 DEFINITIONS.**

*[For text of subs 1 to 14, see M.S.2002]*

Subd. 15. [Obsolete, 2003 c 112 art 2 s 50]

*[For text of subs 16 and 17, see M.S.2002]*

**16A.012 WARRANTS; DISCOUNTS.**

The commissioner of finance shall in no case purchase, redeem, or receive any warrant at less than its face value, nor receive any fee or reward for transacting any official duty, other than the salary provided by law. If the public revenue shall suffer loss by reason of the commissioner's failure to call delinquents to account when required to do so by law, the commissioner shall be accountable for all sums due from such delinquents as if the same had been paid.

**History:** (86) RL s 46; 1986 c 444; 2003 c 112 art 2 s 50

**16A.013 GIFTS; ACCEPTANCE.**

Subdivision 1. **Procedure.** The commissioner of finance is authorized to receive and accept, on behalf of the state, any gift, bequest, devise, or endowment which may be made by any person, by will, deed, gift, or otherwise, to or for the benefit of the state, or any of its departments or agencies, or to or in aid, or for the benefit, support, or maintenance of any educational, charitable, or other institution maintained in whole or in part by the state, or for the benefit of students, employees, or inmates thereof, or for any proper state purpose or function, and the money, property, or funds constituting such gift, bequest, devise, or endowment. No such gift, bequest, devise, or endowment shall be so accepted unless the commissioner of finance determines that it is for the interest of the state to accept it, and approve of and direct the acceptance. If a gift, bequest, devise, or endowment is money or other negotiable instruments, then the deposit of it does not constitute acceptance. In the event that the money or other negotiable instruments are deposited but not approved, the amount deposited must be refunded. When, in order to effect the purpose for which any gift, bequest, devise, or endowment has been accepted, it is necessary to sell property so received, the commissioner of finance, upon request of the authority in charge of the agency,

department, or institution concerned, may sell it at a price which shall be fixed by the State Board of Investment.

**Subd. 2. Charitable trusts; administration.** When a charitable trust is created by will or otherwise for the benefit of the state or any of its departments or agencies or to or in aid, or for the benefit, support or maintenance of any educational, charitable, or other institution maintained in whole or in part by the state, or for the benefit of students, employees, or inmates thereof and any officer or employee of the state or any of its departments or agencies is named in the trust instrument as trustee, it shall be presumed that such trust is a gift to be administered under this section and the courts shall construe the instrument creating the trust accordingly.

**Subd. 3. Gift subject to contract.** Whenever the gift, bequest, devise, or endowment referred to in subdivisions 1 and 2 consists of real property, or an interest therein, which is subject to a contract for the conveyance thereof made by the donor or a predecessor in interest with another, or of the vendor's interest, or some portion thereof, in such a contract for conveyance, the commissioner of finance is authorized, on behalf of and in the name of the state of Minnesota, upon receipt from the vendee under such contract for conveyance, or the vendee's personal representatives or assigns, of such amounts as are due the state or the department, agency, or institution involved, to execute a deed conveying to such vendee, or the vendee's personal representatives or assigns, all the right, title, and interest of the state of Minnesota in and to the real property involved.

**Subd. 4. Termination of contract.** In case of default by the purchaser, or the purchaser's personal representatives or assigns, in the conditions of any such contract for the conveyance of real estate, the commissioner of finance is authorized, in the name of the state of Minnesota, to terminate such contract under and pursuant to the provisions of Minnesota Statutes 1941, section 559.21.

**Subd. 5. Previous gifts.** The provisions of subdivisions 3 and 4 apply to gifts, bequests, devises, or endowments heretofore made.

**History:** (89) 1907 c 170 s 1; 1941 c 353 s 1; 1945 c 359 s 1; 1973 c 492 s 14; 1983 c 301 s 63; 1986 c 444; 1995 c 254 art 1 s 39; 1Sp2001 c 10 art 2 s 15; 2003 c 112 art 2 s 50

#### 16A.014 ADMINISTRATION OF GIFTS.

In case any such gift, bequest, devise, or endowment is so accepted, the same and the proceeds thereof shall be administered and applied according to the terms of the will, deed of gift, or other instrument defining, providing for, creating, or establishing the same; but all such property and funds shall be held by the commissioner of finance in an official capacity and paid out and disbursed the same as other state funds.

**History:** (90) 1907 c 170 s 2; 1986 c 444; 2003 c 112 art 2 s 50

#### 16A.015 INVESTMENT OF GIFTS.

In case it is provided by the terms of such will, deed of gift, or other instrument that the capital of the money, property, or fund constituting such gift, bequest, devise, or endowment, or any part of such capital, shall be kept invested, the same shall be invested and kept invested in the same manner and by the same officers or body as the school funds of the state are by law required to be invested.

**History:** (91) 1907 c 170 s 3; 2003 c 112 art 2 s 50

#### 16A.016 PAYMENT; APPROPRIATION.

**Subdivision 1. Payment; expenditure.** In the event such gift, bequest, devise, or endowment is made or designated by the donor for a certain institution, department, or agency, the commissioner of finance shall, from time to time, pay out in the usual manner, upon the order of the board, commission, or other body charged with the direct and immediate supervision, control, or management of the designated institution, department, or agency, all money which may become available for such purpose under the terms of such will, deed or gift, or other instrument; and the same shall be

expended and applied by this board, commission, or other body as nearly as may be in accordance with the terms and conditions of such gift, bequest, devise, or endowment.

Subd. 2. **Appropriation.** There is hereby appropriated from the fund in the state treasury created under sections 16A.013 to 16A.015, to which such money was credited to such person, department, agency, or institution as is entitled to such payment an amount sufficient to carry out the terms and conditions of such gift, bequest, devise, or endowment.

**History:** (92) 1907 c 170 s 4; 1941 c 353 s 2; 1959 c 158 s 1; 2003 c 112 art 2 s 50

## 16A.06 OTHER COMMISSIONER DUTIES AND POWERS.

*[For text of subs 1 to 9, see M.S.2002]*

Subd. 10. [Repealed, 2003 c 112 art 1 s 19]

### 16A.061 MAY ISSUE COMMEMORATIVE MEDALLIONS.

The commissioner of finance may issue medallions to commemorate popular contemporaneous events of statewide interest.

The commissioner of finance may make reasonable arrangements with public or private entities for the production, distribution, marketing, and sale of the medallions. The commissioner of finance or other entity may solicit and receive nonstate funds or in-kind contributions in connection with any part of the medallion program. Proceeds from sales, nonstate funds, and in-kind contributions must be deposited in a dedicated account.

Money in the account is appropriated to the commissioner of finance for purposes of the program. Any profit earned on the sale of the medallions must be used for grants to support the event for which the medallions were issued. The state grant must be matched by an equal amount from private sources.

**History:** 1991 c 345 art 1 s 41; 2003 c 112 art 2 s 50

### 16A.10 BUDGET PREPARATION.

Subdivision 1. **Budget format.** In each even-numbered calendar year the commissioner shall prepare budget forms and instructions for all agencies, including guidelines for reporting agency performance measures, subject to the approval of the governor. The commissioner shall request and receive advisory recommendations from the chairs of the senate Finance Committee and house of representatives Ways and Means Committee before adopting a format for the biennial budget document. By June 15, the commissioner shall send the proposed budget forms to the appropriations and finance committees. The committees have until July 15 to give the commissioner their advisory recommendations on possible improvements. To facilitate this consultation, the commissioner shall establish a working group consisting of executive branch staff and designees of the chairs of the senate Finance and house of representatives Ways and Means Committees. The commissioner must involve this group in all stages of development of budget forms and instructions. The budget format must show actual expenditures and receipts for the most recent fiscal year, estimated expenditures and receipts for the current fiscal year, and estimates for each fiscal year of the next biennium. 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 subs 1a to 1c, see M.S.2002]*

Subd. 2. **By October 15 and November 30.** By October 15 of each even-numbered year, an agency must file the following with the commissioner:

- (1) budget estimates for the most recent and current fiscal years;
- (2) its upcoming biennial budget estimates;

(3) a comprehensive and integrated statement of agency missions and outcome and performance measures; and

(4) a concise explanation of any planned changes in the level of services or new activities.

The commissioner shall prepare and file the budget estimates for an agency failing to file them. By November 30, the commissioner shall send the final budget format, agency budget estimates for the next biennium, and copies of the filed material to the Ways and Means and Finance Committees, except that the commissioner shall not be required to transmit information that identifies executive branch budget decision items.

*[For text of subd 3, see M.S.2002]*

**History:** 2003 c 112 art 1 s 3,4

### 16A.102 BUDGETING REVENUES RELATIVE TO PERSONAL INCOME.

Subdivision 1. **Governor's recommendation.** By the date specified in section 16A.11, subdivision 1, for submission of parts one and two of the governor's budget, the governor shall submit to the legislature a recommended revenue target for the next two bienniums. The recommended revenue target must specify:

(1) the maximum share of Minnesota personal income to be collected in taxes and other revenues to pay for state and local government services;

(2) the division of the share between state and local government revenues; and

(3) the mix and rates of income, sales, and other state and local taxes including property taxes and other revenues.

The recommendations must be based on the November forecast prepared under section 16A.103.

*[For text of subds 2 and 3, see M.S.2002]*

**History:** 1Sp2003 c 1 art 2 s 31

### 16A.11 BUDGET TO LEGISLATURE.

*[For text of subds 1 and 2, see M.S.2002]*

Subd. 3. **Part two: detailed budget.** (a) Part two of the budget, the detailed budget estimates both of expenditures and revenues, must 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 governor's budget arranged in tabular form.

(b) Tables listing expenditures for the next biennium must show the appropriation base for each year as well as the governor's total recommendation for that year for each expenditure line. The appropriation base is the amount appropriated for the second year of the current biennium, adjusted in accordance with any provisions of law that specify changes to the base.

(c) The detailed estimates must include a separate line listing the total cost of professional and technical service contracts for the prior biennium and the projected costs of those contracts for the current and upcoming biennium. They must also include a summary of the personnel employed by the agency, reflected as full-time equivalent positions.

(d) The detailed estimates for internal service funds must include the number of full-time equivalents by program; detail on any loans from the general fund, including dollar amounts by program; proposed investments in technology or equipment of \$100,000 or more; an explanation of any operating losses or increases in retained earnings; and a history of the rates that have been charged, with an explanation of any rate changes and the impact of the rate changes on affected agencies.

*[For text of subds 3a to 7, see M.S.2002]*

**History:** *1Sp2003 c 1 art 2 s 32*

#### **16A.125 STATE TRUST LANDS.**

Subd. 5. **Forest trust lands.** 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 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 and construction and improvement of forest roads to enhance the forest value of the 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 for the certificate.

After a fiscal year, the commissioner 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 subd 5a, see M.S.2002]*

**History:** *2003 c 112 art 2 s 50*

#### **16A.126 REVOLVING FUND BILLING.**

*[For text of subds 1 and 2, see M.S.2002]*

Subd. 3. **Repayment schedules.** The commissioner shall make schedules for repayment to the general fund of the transferred money. A schedule to repay money used to buy equipment may extend over the equipment's useful life. Otherwise, a schedule may not extend beyond five years. The repayment must include interest at a rate comparable to the rate earned by the state on invested commissioner of finance's cash, as determined monthly by the commissioner. An amount necessary to pay the interest is appropriated from the revolving fund to which the transfer was made.

**History:** *2003 c 112 art 2 s 50*

#### **16A.127 INDIRECT COSTS.**

*[For text of subds 1 to 3a, see M.S.2002]*

Subd. 4. **Federal proposals.** Agency applications for federal money shall include necessary submissions to recover both statewide and agency indirect costs. A copy of the indirect cost submission must be submitted to the commissioner for review. An agency indirect cost plan is unnecessary if the commissioner determines that the costs incurred in preparing and maintaining it exceed the benefit received by the state. If less than the entire agency proposal is federally approved, the commissioner may accept reimbursement of less than all of the federal receipts. If no federal funds are approved for indirect costs, the agency must document that fact to the commissioner.

*[For text of subds 5 and 6, see M.S.2002]*

Subd. 7. **Audit fees.** The legislative auditor may recommend waiver, and the Legislative Audit Commission may waive all or part of a fee for an audit. A state audited agency whose funds are not administered by the commissioner of finance must

transfer to the general fund the amount of the cost of the audit attributable to the agency's nongeneral fund receipts.

*[For text of subds 8 and 9, see M.S.2002]*

**History:** 2003 c 112 art 1 s 5; art 2 s 50

#### **16A.1283 LEGISLATIVE APPROVAL REQUIRED.**

(a) Notwithstanding any law to the contrary, an executive branch state agency may not impose a new fee or increase an existing fee unless the new fee or increase is approved by law. For purposes of this section, a fee is any charge for goods, services, regulation, or licensure, and, notwithstanding paragraph (b), clause (3), includes charges for admission to or for use of public facilities owned by the state.

(b) This section does not apply to:

- (1) charges billed within or between state agencies, or billed to federal agencies;
- (2) the Minnesota State Colleges and Universities system;
- (3) charges for goods and services provided for the direct and primary use of a private individual, business, or other entity;
- (4) charges that authorize use of state-owned lands and minerals administered by the commissioner of natural resources by the issuance of leases, easements, cooperative farming agreements, and land and water crossing licenses and charges for sales of state-owned lands administered by the commissioner of natural resources; or

(5) state park fees and charges established by commissioner's order.

(c) An executive branch agency may reduce a fee that was set by rule before July 1, 2001, without legislative approval. Chapter 14 does not apply to fee reductions under this paragraph.

**History:** 2003 c 28 art 1 s 1

#### **16A.1285 DEPARTMENTAL EARNINGS.**

*[For text of subds 1 and 2, see M.S.2002]*

Subd. 3. **Duties of commissioner of finance.** The commissioner of finance shall classify, monitor, analyze, and report all departmental earnings that fall within the definition established in subdivision 1. Specifically, the commissioner shall:

(1) establish and maintain a classification system that clearly defines and distinguishes categories and types of departmental earnings and takes into account the purpose of the various earnings types and the extent to which various earnings types serve a public or private interest;

(2) prepare a biennial report that documents collection costs, purposes, and yields of all departmental earnings, the report to be submitted to the legislature on or before the fourth Tuesday in January in each odd-numbered year and to include estimated data for the year in which the report is prepared, actual data for the two years immediately before, and estimates for the two years immediately following; and

(3) prepare and maintain a detailed directory of all departmental earnings.

In a year following the election of a governor who had not been governor the previous year, the report required by clause (2) must be submitted by the third Tuesday in February.

**History:** 1Sp2003 c 1 art 2 s 33

#### **16A.129 OTHER COMMISSIONER POWERS.**

*[For text of subds 1 and 2, see M.S.2002]*

Subd. 3. **Cash advances.** When the operations of any account would be impeded by projected cash deficiencies resulting from delays in the receipt of grants, dedicated income, or other similar receivables, and when the deficiencies would be corrected

within the budget period involved, the commissioner of finance may use fund level cash reserves to meet cash demands. If funds are transferred from the general fund to meet cash flow needs, the cash flow transfers must be returned to the general fund as soon as sufficient cash balances are available in the account to which the transfer was made. Any interest earned on general fund cash flow transfers accrues to the general fund and not to the accounts or funds to which the transfer was made. The commissioner may advance general fund cash reserves to nongeneral fund accounts where the receipts from other governmental units cannot be collected within the budget period.

**History:** 2003 c 112 art 1 s 6

### 16A.13 FEDERAL TAX WITHHOLDING.

Subdivision 1. **Custodian; bond.** The commissioner of finance is the custodian of all money deposited with the commissioner of finance for federal tax withheld from the pay of any officer or employee of the state of Minnesota. The commissioner of finance's bond to the state shall cover the liability for the custodian's acts. The deposits are subject to laws on keeping and paying out state money.

*[For text of subd 2, see M.S.2002]*

Subd. 2a. **Procedure.** The commissioner shall see that the deduction for the withheld tax is made from an employee's pay on the payroll abstract. The commissioner shall approve one warrant payable to the commissioner for the total amount deducted on the abstract. Deductions from the pay of an employee paid direct by an agency shall be made by the employee's payroll authority. A later deduction must correct an error made on an earlier deduction. The paying authority shall see that a warrant or check for the deductions is promptly sent to the commissioner. The commissioner shall deposit the amount of the warrant or check to the credit of the proper federal authority or other person authorized by federal law to receive it.

*[For text of subds 2b to 4, see M.S.2002]*

**History:** 2003 s 112 art 2 s 26

### 16A.131 DEDUCTIONS FOR UNITED STATES SECURITIES, TRANSIT CARDS.

Subdivision 1. [Repealed, 2003 c 112 art 1 s 19]

*[For text of subd 2, see M.S.2002]*

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

Subdivision 1. **Payroll direct deposit and deductions.** An agency head in the executive, judicial, and legislative branch shall, upon written request signed by an employee, directly deposit all or part of an employee's pay to those credit unions or financial institutions, 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. If an employee has more than one account with the Minnesota Benefit Association or more than one organization under section 179A.06, only the Minnesota Benefit Association and one organization, as defined under section 179A.06, may be paid money by payroll deduction from the employee's pay.

*[For text of subd 2, see M.S.2002]*

**History:** 2003 c 112 art 1 s 7

### 16A.14 ALLOTMENT AND ENCUMBRANCE SYSTEM.

*[For text of subds 1 to 2c, see M.S.2002]*

Subd. 3. **Spending plan.** An appropriation to an agency may not be made available for spending in the next allotment period until the agency has met all the requirements

related to the policies and procedures of the Minnesota accounting and procurement system. A spending plan shall be submitted by July 31 to the commissioner on the commissioner's form. The spending plan must certify that: the amount required for each activity is accurate and is consistent with legislative intent; revenue estimates are reasonable; and the plan is structurally balanced, with all legal restrictions on spending having been met for the purpose for which money is to be spent.

*[For text of subds 4 and 5, see M.S.2002]*

**History:** 2003 c 112 art 1 s 8

#### 16A.151 PROCEEDS OF LITIGATION OR SETTLEMENT.

*[For text of subd 1, see M.S.2002]*

**Subd. 2. Exceptions.** (a) If a state official litigates or settles a matter on behalf of specific injured persons or entities, this section does not prohibit distribution of money to the specific injured persons or entities on whose behalf the litigation or settlement efforts were initiated. If money recovered on behalf of injured persons or entities cannot reasonably be distributed to those persons or entities because they cannot readily be located or identified or because the cost of distributing the money would outweigh the benefit to the persons or entities, the money must be paid into the general fund.

(b) Money recovered on behalf of a fund in the state treasury other than the general fund may be deposited in that fund.

(c) This section does not prohibit a state official from distributing money to a person or entity other than the state in litigation or potential litigation in which the state is a defendant or potential defendant.

(d) State agencies may accept funds as directed by a federal court for any restitution or monetary penalty under United States Code, title 18, section 3663(a)(3) or United States Code, title 18, section 3663A(a)(3). Funds received must be deposited in a special revenue account and are appropriated to the commissioner of the agency for the purpose as directed by the federal court.

*[For text of subds 3 and 4, see M.S.2002]*

**Subd. 5. Expiration.** This section expires June 30, 2006.

**History:** 1Sp2003 c 1 art 2 s 34; 1Sp2003 c 2 art 8 s 1

#### 16A.152 BUDGET RESERVE AND CASH FLOW ACCOUNTS.

**Subdivision 1. Cash flow account established.** A cash flow account is created in the general fund in the state treasury. Amounts in the cash flow account shall remain in the account until drawn down and used to meet cash flow deficiencies resulting from uneven distribution of revenue collections and required expenditures during a fiscal year.

*[For text of subd 1a, see M.S.2002]*

**Subd. 1b. Budget reserve increase.** On July 1, 2003, the commissioner of finance shall transfer \$300,000,000 to the budget reserve account in the general fund. On July 1, 2004, the commissioner of finance shall transfer \$296,000,000 to the budget reserve account in the general fund. The amounts necessary for this purpose are appropriated from the general fund.

**Subd. 2. 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 following accounts and purposes in priority order:

(1) the cash flow account established in subdivision 1 until that account reaches \$350,000,000; and



(2) the budget reserve account established in subdivision 1a until that account reaches \$653,000,000.

The amounts necessary to meet the requirements of this section are appropriated from the general fund within two weeks after the forecast is released.

*[For text of subs 3 to 7, see M.S.2002]*

**History:** *1Sp2003 c 21 art 11 s 2-4*

#### **16A.17 PREPARATION OF STATE PAYROLL.**

*[For text of subs 1 to 9, see M.S.2002]*

Subd. 10. **Direct deposit.** Notwithstanding section 177.23, the commissioner may require direct deposit for all state employees who are being paid by the state payroll system.

**History:** *2003 c 112 art 1 s 9; 1Sp2003 c 1 art 2 s 35*

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

Subdivision 1. **Commissioner to comply.** The commissioner shall, in the public interest, control the amount and manner of deposit of state funds in depositories by the commissioner. The commissioner shall comply with the controls.

Subd. 2. **Daily report.** By 9:00 a.m. every business day, a depository holding a total of over \$100,000 in non-interest-bearing state deposits shall report the balances as of the close of the last business day to the commissioner. The commissioner shall record the balances and send a copy of them to the Legislative Reference Library.

*[For text of subs 3 and 4, see M.S.2002]*

Subd. 5. **Charges, compensating balances.** The commissioner may pay a depository a reasonable charge from appropriated money, maintain appropriate compensating balances with the depository, or purchase non-interest-bearing certificates of deposit from the depository for performing depository related services.

**History:** *2003 c 112 art 2 s 3,50*

#### **16A.271 DEPOSITORIES, DESIGNATION.**

Where any statute of this state requires or permits a bank or trust company to deposit securities with the commissioner of finance, the latter, on the request of such depositor, may designate some other bank or trust company as the depository of such securities under such depository agreement as may be prescribed and approved by the depositor, and which will not deprive the commissioner of finance of the control thereof and the charges of such depository shall be paid by the depositing bank or trust company. If such depositing bank or trust company is a member of the federal reserve system, the Federal Reserve Bank in this state may be the depository designated by the commissioner of finance.

**History:** *(107-1) 1933 c 287 s 1; 1986 c 444; 2003 c 112 art 2 s 50*

#### **16A.272 DEPOSITS OF CERTAIN FUNDS OF PUBLIC CORPORATIONS, SECURITY.**

Subdivision 1. **Depository to give bond.** If designated treasurer of any public corporation by any statute of this state, the commissioner of finance may deposit any public corporation funds in any bank or trust company in this state designated by the commissioner of finance unless otherwise provided in the statutes relating to such public corporation. Such deposits shall be deemed deposits of public funds, and said treasurer may require any bank or trust company in which such funds are deposited to give a corporate surety bond for the repayment of such funds or to deposit collateral securities to secure such deposits. Collateral securities so pledged shall consist of bonds and similar securities which are eligible as collateral security for deposits of state funds

deposited in depositories designated by the Executive Council of this state. Such bond or collateral shall be in such amount as shall be fixed by the commissioner of finance.

Subd. 2. **Commissioner of finance relieved from liability.** The commissioner of finance shall not be liable for the safekeeping of money deposited by the commissioner of finance which are secured by a corporate surety bond or a pledge of collateral securities as herein provided.

Subd. 3. **Section 7.19 to apply.** The provisions of Minnesota Statutes 1941, section 7.19, shall apply to deposits of securities made pursuant to this section.

**History:** 1945 c 298 s 1-3; 1986 c 444; 2003 c 112 art 2 s 50

#### 16A.273 INDUCEMENTS TO MAKE DEPOSITS.

Every person who shall give or promise to the commissioner of finance, or to any other person having the custody or control of state funds, any credit, service, or benefit, except as expressly authorized by law, as an inducement or consideration to or for the deposit, loan, or forbearance of state funds, shall be guilty of bribery or attempted bribery, as the case may be.

**History:** (108) RL s 55; 2003 c 112 art 2 s 50

#### 16A.40 WARRANTS AND ELECTRONIC FUND TRANSFERS.

Money must not be paid out of the state treasury except upon the warrant of the commissioner or an electronic fund transfer approved by the commissioner. Warrants must be drawn on printed blanks that are in numerical order. The commissioner shall enter, in numerical order in a warrant register, the number, amount, date, and payee for every warrant issued.

The commissioner may require payees to supply their bank routing information to enable the payments to be made through an electronic fund transfer.

**History:** 2003 c 112 art 1 s 10; 1Sp2003 c 1 art 2 s 36

#### 16A.45 OUTSTANDING UNPAID WARRANTS, CANCELLATION.

Subdivision 1. **Cancel; credit.** Once each fiscal year the commissioner shall cancel upon the books all outstanding unpaid commissioner's warrants that have been issued and delivered on or before June 30 of the preceding year and credit state amounts subject to section 345.43 and federal amounts to the appropriate account in the federal fund. These warrants are presumed abandoned under section 345.38 and are subject to sections 345.31 to 345.60.

*[For text of subd 4, see M.S.2002]*

**History:** 2003 c 112 art 2 s 50

#### 16A.46 LOST OR DESTROYED WARRANT DUPLICATE; INDEMNITY.

The commissioner may issue a duplicate of an unpaid warrant to an owner if the owner certifies that the original was lost or destroyed. The commissioner may require certification be documented by affidavit. When the duplicate is issued, the original is void. The commissioner may require an indemnity bond from the applicant to the state for double the amount of the warrant for anyone damaged by the issuance of the duplicate. The commissioner may refuse to issue a duplicate of an unpaid state warrant. If the commissioner acts in good faith the commissioner is not liable, whether the application is granted or denied. For an unpaid refund or rebate issued under a tax law administered by the commissioner of revenue that has been lost or destroyed, an affidavit is not required for the commissioner to issue a duplicate if the duplicate is issued to the same name and social security number as the original warrant and that information is verified on a tax return filed by the recipient.

**History:** 2003 c 112 art 1 s 11

**16A.461 DUPLICATE BONDS ISSUED.**

When any bond, certificate of indebtedness, or other written obligation of the state, issued by the state or by any department, bureau, board, or other agency of the state government according to law, has been lost, destroyed, or stolen, a duplicate of such obligation, with unpaid interest coupons, if any, which were attached at the time of the loss, destruction, or theft, shall be issued to the owner, the owner's guardian, or the representative of the owner's estate, as hereinafter provided, upon the furnishing of satisfactory proof of ownership and of such loss, destruction, or theft to the authority empowered to approve indemnity bonds, as hereinafter provided, and upon the certification of the approval of such proof by such authority to the commissioner of finance.

**History:** (125-7) 1929 c 192 s 1; 1986 c 444; 2003 c 112 art 2 s 50

**16A.462 EXECUTION OF DUPLICATES.**

Such duplicate obligation shall be prepared by the commissioner of finance and shall be an exact and complete copy of the original, including the signatures, but need not be a facsimile. Each duplicate obligation shall have written or printed thereon a certificate, the form of which shall be approved by the attorney general, stating, in substance, that the obligation is a duplicate issued pursuant to sections 16A.461 to 16A.464 with like force and effect as the original. The certificate shall be signed by the commissioner of finance, attested by the secretary of state, and sealed with the great seal of the state, and bear the approval of the attorney general as to the issuance of the duplicate and the form of the certificate. Each duplicate shall have plainly written or printed thereon across the face or upon the margin the word "duplicate." Each coupon attached to the duplicate obligation shall have plainly written or printed thereon in like manner the word "duplicate," followed by the date of issue and the signature or facsimile signature of the commissioner of finance.

**History:** (125-8) 1929 c 192 s 2; 2003 c 112 art 2 s 50

**16A.463 DELIVERY OF DUPLICATES; BOND.**

Such duplicate obligation when executed shall be delivered by the commissioner of finance to the owner of the original obligation, the owner's guardian, or the representative of the owner's estate; provided, such owner, guardian, or representative shall first file with the commissioner a bond in the full amount of such obligation and unpaid interest to maturity, with sufficient sureties, approved by the same authority as state depository bonds, indemnifying the state against any loss thereon by reason of the existence of the original obligation or any coupon thereto attached, unless such bond is waived as hereinafter provided; and, provided, such owner, guardian, or representative shall furnish satisfactory proof to the commissioner that such original obligation and coupons have not been found or presented for payment up to the time of such delivery; and, if any thereof have been found or presented, duplicates shall be delivered only of such as have not been found or presented. A record of the issuance and delivery of each duplicate obligation and attached coupons shall be made by the commissioner. Such duplicate obligations and coupons, when issued and delivered as hereinbefore provided shall have the same force and effect as the originals.

**History:** (125-9) 1929 c 192 s 3; 1973 c 492 s 14; 1986 c 444; 2003 c 112 art 2 s 2,50

**16A.464 BOND, WHEN CANCELED.**

The authority empowered to approve the indemnity bond required by section 16A.463 may waive such bond, in its discretion, at any time six years after the date of the maturity of such lost, destroyed, or stolen bond, certificate of indebtedness, or other written obligation of the state, in any special case where it deems that the person entitled to a duplicate is unable to furnish such indemnity bond without hardship and that it is improbable that the original obligation will ever be found or presented for payment. Such waiver shall be certified to the commissioner of finance.

**History:** (125-10) 1929 c 192 s 4; 2003 c 112 art 2 s 50

**16A.501 REPORT ON EXPENDITURE OF BOND PROCEEDS.**

The commissioner of finance must report annually to the legislature on the degree to which entities receiving appropriations for capital projects in previous omnibus capital improvement acts have encumbered or expended that money. The report must be submitted to the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee by January 1 of each year.

**History:** 2003 c 112 art 1 s 12; 1Sp2003 c 1 art 2 s 37

**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 taxes, fees, and other sources as provided in subdivision 1a.

Subd. 1a. **Revenues.** The following revenues must be deposited in the environmental fund:

- (1) all revenue from the motor vehicle transfer fee imposed under section 115A.908;
- (2) all fees collected under section 116.07, subdivision 4d;
- (3) all money collected by the Pollution Control Agency in enforcement matters as provided in section 115.073;
- (4) all revenues from license fees for individual sewage treatment systems under section 115.56;
- (5) all loan repayments deposited under section 115A.0716;
- (6) all revenue from pollution prevention fees imposed under section 115D.12;
- (7) all loan repayments deposited under section 116.994;
- (8) all fees collected under section 116C.834;
- (9) revenue collected from the solid waste management tax pursuant to chapter 297H;
- (10) fees collected under section 473.844; and
- (11) interest accrued on the fund.

*[For text of subds 2 and 3, see M.S.2002]*

**History:** 2003 c 128 art 2 s 1,2

**16A.626 ELECTRONIC PAYMENTS.**

(a) For purposes of this section, the terms defined in this paragraph have the meaning given them. "Agency" means a state officer, employee, board, commission, authority, department, entity, or organization of the executive branch of state government. "Government services transaction" means the conduct of business between an agency and an individual or business entity where the individual or business entity is paying a license or permit fee or tax or purchasing goods or services.

(b) Notwithstanding any other provision of law, rule, or regulation to the contrary, an agency may accept credit cards, charge cards, debit cards, or other method of electronic funds transfer for payment in government services transactions, including electronic transactions.

(c) The commissioner of finance shall contract with one or more entities for the purpose of enabling agencies to accept and process credit cards and other electronic financial transactions. All agencies shall process their credit card and other electronic financial transactions through the contracts negotiated by the commissioner of finance, unless the commissioner of finance grants a waiver allowing an agency to negotiate its own contract with an entity. These contracts must be approved by the commissioner of finance.

(d) Agencies that accept credit cards, charge cards, debit cards, or other method of electronic funds transfer for payment may impose a convenience fee to be added to each transaction, except that the Department of Revenue shall not impose a fee under

this section on any payment of tax that is required by law or rule to be made by electronic funds transfer. The total amount of such convenience fee must be equal to the transaction fee charged by a processing contractor for such credit services during the most recent collection period. An agency imposing a convenience fee must notify the person using the credit services of the fee before the transaction is processed. Fees collected under this section are appropriated to the agency collecting the fee for purposes of paying the processing contractor.

(e) A convenience fee imposed by an agency under this section is in addition to any tax, fee, charge, or cost otherwise imposed for a license, permit, tax, service, or good provided by the agency.

(f) Credit card, charge card, debit card, or other method of electronic funds transfer account numbers are nonpublic data not on individuals as defined in section 13.02, subdivision 9, or private data on individuals as defined in section 13.02, subdivision 12.

**History:** 2003 c 112 art 2 s 4

#### **16A.642 STATE BONDS: REPORTS; CANCELLATIONS.**

Subdivision 1. **Reports.** (a) The commissioner of finance shall report to the chairs of the senate Committee on Finance and the house of representatives Committees on Ways and Means and on Capital Investment by January 1 of each odd-numbered year on the following:

(1) all laws authorizing the issuance of state bonds or appropriating general fund money for state or local government capital investment projects enacted more than four years before January 1 of that odd-numbered year; the projects authorized to be acquired and constructed for which less than 100 percent of the authorized total cost has been expended, encumbered, or otherwise obligated; the cost of contracts to be let in accordance with existing plans and specifications shall be considered expended for this report; and the amount of general fund money appropriated but not spent or otherwise obligated, and the amount of bonds not issued and bond proceeds held but not previously expended, encumbered, or otherwise obligated for these projects; and

(2) all laws authorizing the issuance of state bonds or appropriating general fund money for state or local government capital programs or projects other than those described in clause (1), enacted more than four years before January 1 of that odd-numbered year; and the amount of general fund money appropriated but not spent or otherwise obligated, and the amount of bonds not issued and bond proceeds held but not previously expended, encumbered, or otherwise obligated for these programs and projects.

(b) The commissioner shall also report on general fund appropriations for capital projects, bond authorizations or bond proceed balances that may be canceled because projects have been canceled, completed, or otherwise concluded, or because the purposes for which the money was appropriated or bonds were authorized or issued have been canceled, completed, or otherwise concluded. The general fund appropriations, bond authorizations or bond proceed balances that are unencumbered or otherwise not obligated that are reported by the commissioner under this subdivision are canceled, effective July 1 of the year of the report, unless specifically reauthorized by act of the legislature.

*[For text of subs 2 to 4, see M.S.2002]*

**History:** 2003 c 112 art 1 s 13; 1Sp2003 c 1 art 2 s 38

#### **16A.672 BONDS AND CERTIFICATES OF INDEBTEDNESS.**

*[For text of subs 1 to 10, see M.S.2002]*

Subd. 11. **Registration not public information.** Information in any register of ownership of bonds or certificates is nonpublic data under section 13.02, subdivision 9,

or private data on individuals under section 13.02, subdivision 12. The information is open only to the subject of it, except as disclosure:

(1) is necessary for the registrar, the commissioner, or the legislative auditor to perform a duty; or

(2) is requested by an authorized representative of the state commissioner of revenue, the state attorney general, or the United States commissioner of internal revenue to determine the application of a tax; or

(3) is required under section 13.03, subdivision 4.

*[For text of subs 12 and 13, see M.S.2002]*

**History:** 2003 c 112 art 2 s 50

#### **16A.69 APPROPRIATIONS INTO SINGLE PROJECT ACCOUNT.**

*[For text of subs 1 and 2, see M.S.2002]*

Subd. 3. **Capitol Area planning.** The department shall set aside from a state appropriation available for that purpose funds for the planning and consulting services of the Capitol Area Architectural and Planning Board when a state agency or the Minnesota Historical Society plans and constructs any capital improvement in the Capitol Area as defined in section 15B.02.

**History:** 2003 c 17 s 2

**16A.87** [Repealed, 1Sp2003 c 1 art 2 s 136]

#### **16A.88 TRANSIT FUNDS.**

Subdivision 1. **Greater Minnesota transit fund.** The greater Minnesota transit fund is established within the state treasury. Money in the fund is annually appropriated to the commissioner of transportation for assistance to transit systems outside the metropolitan area under section 174.24. Beginning in fiscal year 2003, the commissioner may use up to \$400,000 each year for administration of the transit program. The commissioner shall use the fund for transit operations as provided in section 174.24 and related program administration.

*[For text of subs 2 and 3, see M.S.2002]*

**History:** 1Sp2003 c 19 art 2 s 2