

CHAPTER 16A

DEPARTMENT OF MANAGEMENT AND BUDGET

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16A.01 DEPARTMENT OF MANAGEMENT AND BUDGET; COMMISSIONER; EMPLOYEES.

Subdivision 1. **Commissioner.** The commissioner of management and budget manages the Department of Management and Budget, which may also be known as Minnesota Management and Budget. The commissioner is the state's controller and chief accounting and financial officer.

[For text of subs 2 to 4, see M.S.2008]

History: 2009 c 101 art 2 s 40,109

16A.055 COMMISSIONER'S DUTIES.

Subdivision 1. **List.** (a) 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; and

(6) provide to the state the expertise to ensure that all state funds are accounted for under generally accepted government accounting principles.

(b) In addition to the duties in paragraph (a), the commissioner has the powers and duties given to the commissioner in chapter 43A.

Subd. 1a. **Additional duties.** The commissioner may assist state agencies by providing analytical, statistical, and organizational development services to state agencies in order to assist the agency to achieve the agency's mission and to operate efficiently and effectively.

[For text of subs 2 to 6, see M.S.2008]

History: 2009 c 101 art 2 s 41,42

16A.056 WEB SITE WITH SEARCHABLE DATABASE ON STATE EXPENDITURES.

Subdivision 1. **Web database requirement.** The commissioner, in consultation with the commissioners of administration and revenue and the legislative auditor, must maintain a Web site with a searchable database providing the public with information on state contracts, state appropriations, state expenditures, state tax expenditures, and state entities that are the subject of audits. The Web site must not include information that is not public data, as defined in section 13.02, subdivision 8a. For each data field identified in subdivisions 2 to 6, the searchable database must allow a user of the Web site to:

- (1) perform a search using that field;
- (2) sort by that field;
- (3) obtain information grouped or aggregated by that field, where groups or subtotals are feasible; and
- (4) view information in that field by each fiscal year.

The searchable database may accommodate grouping and aggregating by allowing the user to download the data into a user-controlled database.

Subd. 2. **Contracts.** (a) The searchable database on the Web site must include at least the following data fields on state contracts:

- (1) the name of the entity receiving the contract;
- (2) the name of the agency entering into the contract;
- (3) an indication if the contract is for (i) goods; (ii) professional or technical services; (iii) services other than professional and technical services; or (iv) a grant; and
- (4) the fund or funds from which the entity receiving the contract will be paid.

(b) For each contract, the database must also include:

- (1) an address for each entity receiving a contract; and
- (2) a brief statement of the purpose of the contract or grant.

(c) Information on a new contract or grant must be entered into the database within 30 days after the contract or grant is entered into.

(d) For purposes of this section, a "grant" is a contract between a state agency and a recipient, the primary purpose of which is to transfer cash or a thing of value to the recipient to support a public purpose. Grant does not include aid payments to units of local government, payments to state employees, or payments made under laws providing for assistance to individuals.

Subd. 3. **Appropriations.** The searchable database on the Web site must include at least the following data fields on state appropriations:

- (1) the agency receiving the appropriation, or the name of the nonstate entity receiving state money;
- (2) the agency program, to the extent applicable;
- (3) the agency activity, to the extent applicable;
- (4) an item within an activity if applicable;
- (5) the fund from which the appropriation is made; and
- (6) the object of expenditure.

Subd. 4. **State expenditures.** The searchable database on the Web site must include at least the following data fields on state expenditures:

- (1) the name of the agency or nonstate entity making the expenditure;
- (2) the agency program, to the extent applicable;
- (3) the agency activity, to the extent applicable;
- (4) an item within an activity if applicable;
- (5) the fund from which the expenditure is made; and
- (6) the object of expenditure.

Subd. 5. **Tax expenditures.** The Web site must include a searchable database of state tax expenditures. For each fiscal year, the database must include data fields showing the estimated impact on state revenues of each tax expenditure item listed in the report prepared under section 270C.11.

Subd. 6. **Audits.** The Web site required by this section must include a link to a Web site containing the findings and results from the audits completed by the legislative auditor that have been released to the public.

Subd. 7. **Retention of data.** The database required under this section must include information beginning with fiscal year 2010 appropriations and must retain data for at least ten years.

Subd. 8. **Consultation.** The commissioner of management and budget must consult with the chairs of the house of representatives Ways and Means and senate Finance Committees before encumbering any money appropriated on or after July 1, 2009, for the planning, development, and implementation of state accounting or procurement systems. No money appropriated for these purposes may be spent unless the commissioner certifies that the systems will allow compliance with requirements of this section.

History: 2009 c 101 art 2 s 43,109

NOTE: This section, as added by Laws 2009, chapter 101, article 2, section 43, is effective the day following certification by the commissioner of management and budget that a new statewide accounting and procurement system has been implemented. Laws 2009, chapter 101, article 2, section 43, the effective date.

16A.057 INTERNAL CONTROLS AND INTERNAL AUDITING.

Subdivision 1. **Establishment of system.** The commissioner is responsible for the system of internal controls across the executive branch. The commissioner must coordinate the design, implementation, and maintenance of an effective system of internal controls and internal auditing for all executive agencies. The system must:

- (1) safeguard public funds and assets and minimize incidences of fraud, waste, and abuse;
- (2) ensure that programs are administered in compliance with federal and state laws and rules; and
- (3) require documentation of internal control procedures over financial management activities, provide for analysis of risks, and provide for periodic evaluation of control procedures to satisfy the commissioner that these procedures are adequately designed, properly implemented, and functioning effectively.

Subd. 2. **Standards.** The commissioner must adopt internal control standards and policies that agencies must follow to meet the requirements of subdivision 1. These standards and policies may include separation of duties, safeguarding receipts, time entry, approval of travel, and other topics the commissioner determines are necessary to comply with subdivision 1.

Subd. 3. **Training and assistance.** The commissioner shall coordinate training for accounting personnel and financial managers in state agencies on internal controls as necessary to ensure financial integrity in the state's financial transactions. The

commissioner shall provide internal control support to agencies that the commissioner determines need this assistance.

Subd. 4. **Sharing internal audit resources.** The commissioner must administer a program for sharing internal auditors among executive agencies that do not have their own internal auditors and for assembling interagency teams of internal auditors as necessary.

Subd. 5. **Monitoring Office of the Legislative Auditor audits.** The commissioner must review audit reports from the Office of the Legislative Auditor and take appropriate steps to address internal control problems found in executive agencies.

Subd. 6. **Budget for internal controls.** The commissioner of management and budget may require that each executive agency spend a specified percentage of its operating budget on internal control systems. The commissioner of management and budget may require that an agency transfer a portion of its operating budget to the commissioner to pay for internal control functions performed by the commissioner.

Subd. 7. **Annual report.** The commissioner must report to the legislative audit commission and the governor by January 31 of each odd-numbered year on the system of internal controls and internal auditing in executive agencies.

Subd. 8. **Agency head responsibilities.** The head of each executive agency is responsible for designing, implementing, and maintaining an effective internal control system within the agency that complies with the requirements of subdivision 1, clauses (1) to (3). The head of each executive agency must annually certify that the agency head has reviewed the agency's internal control systems, and that these systems are in compliance with standards and policies established by the commissioner. The agency head must submit the signed certification form to the commissioner of management and budget, in a form specified by the commissioner.

Subd. 9. **State colleges and universities.** This section does not apply to the Minnesota State Colleges and Universities system.

History: 2009 c 101 art 2 s 44,109

16A.06 ADDITIONAL COMMISSIONER DUTIES AND POWERS.

[For text of subs 1 to 9, see M.S.2008]

Subd. 11. **Permanent school fund reporting.** The commissioner shall annually report to the Permanent School Fund Advisory Committee and the legislature the amount of the permanent school fund transfer and information about the investment of the permanent school fund provided by the State Board of Investment. The State Board of Investment shall provide information about how they maximized the long-term economic return of the permanent school fund.

History: 2009 c 96 art 1 s 1

16A.126 REVOLVING FUND BILLING.

Subdivision 1. **Set rates.** The commissioner shall approve the rates an agency must pay to a revolving fund for services. Funds subject to this subdivision include, but are not limited to, the revolving funds established in sections 4A.05; 14.46; 14.53; 16B.48; 16B.54; 16B.58; 16B.85; 16C.03, subdivision 11; 16E.14; 43A.55; and 176.591; and the fund established in section 43A.30.

[For text of subs 2 and 3, see M.S.2008]

History: 2009 c 101 art 2 s 45

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 must, 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 organizations contemplated by section 179A.06, of which the employee is a member.

[For text of subd 2, see M.S.2008]

History: 2009 c 101 art 2 s 46

16A.139 MISAPPROPRIATION OF MONEY.

(a) No official or head of any state department in the executive, legislative, or judicial branches, or any employee of a state department in those branches, may intentionally use money appropriated by law, or fees collected knowing that the use is for a purpose other than the purpose for which the money was appropriated. Unless a greater penalty is specified elsewhere in law, a person who violates this paragraph is guilty of a gross misdemeanor.

(b) A violation of paragraph (a) by a head of a department, or any state official, is cause for immediate removal of the official or head of a state department from the position held with the government of this state. A criminal conviction under paragraph (a) is not a prerequisite for removal. This paragraph does not apply to a judge, a constitutional officer, or a legislator, except as potential grounds for expulsion, impeachment, or recall in the manner specified in article IV, section 7, and article VIII of the Minnesota Constitution.

History: 2009 c 101 art 2 s 47

NOTE: The amendments to this section by Laws 2009, chapter 101, article 2, section 47, are effective August 1, 2009, and apply to crimes committed on or after that date. Laws 2009, chapter 101, article 2, section 47, the effective date.

16A.151 PROCEEDS OF LITIGATION OR SETTLEMENT.

[For text of subd 1, see M.S.2008]

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.2008]

History: 2009 c 101 art 2 s 48

16A.152 BUDGET RESERVE AND CASH FLOW ACCOUNTS.

[For text of subds 1 to 1b, see M.S.2008]

Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund revenues and expenditures, the commissioner of management and budget determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of management and budget 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;

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

(3) the amount necessary to increase the aid payment schedule for school district aids and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest tenth of a percent without exceeding the amount available and with any remaining funds deposited in the budget reserve;

(4) the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75, subdivision 5, paragraph (b), and Laws 2003, First Special Session chapter 9, article 5, section 34, as amended by Laws 2003, First Special Session chapter 23, section 20, by the same amount; and

(5) to the state airports fund, the amount necessary to restore the amount transferred from the state airports fund under Laws 2008, chapter 363, article 11, section 3, subdivision 5.

(b) The amounts necessary to meet the requirements of this section are appropriated from the general fund within two weeks after the forecast is released or, in the case of transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations schedules otherwise established in statute.

(c) The commissioner of management and budget shall certify the total dollar amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education. The commissioner of education shall increase the aid payment percentage and reduce the property tax shift percentage by these amounts and apply those reductions to the current fiscal year and thereafter.

[For text of subs 3 to 7, see M.S.2008]

Subd. 8. **Report on budget reserve percentage.** (a) The commissioner of management and budget must periodically review the formula developed as part of the Budget Trends Study Commission authorized by Laws 2007, chapter 148, article 2, section 81, to estimate the percentage of the preceding biennium's general fund expenditures and transfers recommended as a budget reserve.

(b) The commissioner must annually review the variables and coefficients in the formula used to model the base of the general fund taxes and the mix of taxes that provide revenues to the general fund. If the commissioner determines that the variables and coefficients have changed enough to result in a change in the percentage of the preceding biennium's general fund expenditures and transfers recommended as a budget reserve, the commissioner must update the variables and coefficients in the formula to reflect the current base and mix of general fund taxes.

(c) Every ten years, the commissioner must review the methodology underlying the formula, taking into consideration relevant economic literature from the past ten years, and determine if the formula remains adequate as a tool for estimating the percentage of the preceding biennium's general fund expenditures and transfers recommended as a budget reserve. If the commissioner determines that the methodology underlying the formula is outdated, the commissioner must revise the formula.

(d) By January 15 of each year, the commissioner must report to the chairs and ranking minority members of the house of representatives Committee on Ways and Means and the senate Committee on Finance, in compliance with sections 3.195 and 3.197, on the percentage of the preceding biennium's general fund expenditures and transfers recommended as a budget reserve. The report must specify:

(1) if the commissioner updated the variables and coefficients in the formula to reflect significant changes to either the base of one or more general fund taxes or to the mix of taxes that provide revenues to the general fund as provided in paragraph (b);

(2) if the commissioner revised the formula after determining the methodology was outdated as provided in paragraph (c); and

(3) if the percentage of the preceding biennium's general fund expenditures and transfers recommended as a budget reserve has changed as a result of an update of or a revision to the formula.

History: 2009 c 36 art 3 s 1; 2009 c 86 art 1 s 4; 2009 c 101 art 2 s 49,109

16A.19 RETIREMENT, SOCIAL SECURITY DEFICIENCIES.

Subdivision 1. **Procedure.** If a direct appropriation for retirement contributions, benefits, or administrative expenses, or for Social Security contributions under section 355.03, is determined by the chief administrative official of the agency to which or by the officer to whom the appropriation was made to be insufficient to meet the state's obligation under the program for which it is made for the fiscal year for which it is made, the official or the officer shall certify to the finance committee, the appropriations committee, and the commissioner the amount necessary to meet the deficiency. Upon this certification, the commissioner shall transfer the necessary amounts to the appropriate accounts.

[For text of subd 2, see M.S.2008]

History: 2009 c 86 art 1 s 5

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

[For text of subd 1, see M.S.2008]

Subd. 2. **Daily record.** Each day the commissioner shall maintain a record on the department's Web site of all depositories holding noninterest bearing state deposits in excess of \$100,000.

[For text of subds 3 to 5, see M.S.2008]

History: 2009 c 32 s 6

16A.531 FUNDS CREATED.

[For text of subd 1, see M.S.2008]

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

(1) revenue from the motor vehicle transfer fee as provided in section 115A.908, subdivision 2;

(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 subsurface 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;
- (11) interest accrued on the fund; and
- (12) money received in the form of gifts, grants, reimbursement, or appropriation from any source for any of the purposes provided in subdivision 2, except federal grants.

[For text of subs 2 and 3, see M.S.2008]

History: 2009 c 109 s 14

16A.641 STATE BONDS; APPROPRIATIONS.

[For text of subs 1 to 4, see M.S.2008]

Subd. 4a. **Negotiated sales; temporary authority.** Notwithstanding the public sale requirements of subdivision 4 and section 16A.66, subdivision 2, from June 1, 2009, until June 30, 2011, the commissioner may sell bonds, including refunding bonds, at negotiated sale.

[For text of subs 5 to 13, see M.S.2008]

History: 2009 c 93 art 1 s 22

NOTE: Subdivision 4a, as added by Laws 2009, chapter 93, article 1, section 22, expires July 1, 2011. Laws 2009, chapter 93, article 1, section 22, the effective date.

16A.647 TAX CREDIT AND INTEREST SUBSIDY BONDS.

Subdivision 1. **Authority to issue.** When authorized by law to issue state general obligation bonds, the commissioner may issue all or part of the bonds as tax credit bonds or as interest subsidy bonds or a combination of the two.

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given them.

(b) "Tax credit bonds" means bonds, the interest on which is includable in the income of the owner of the bonds for federal income tax purposes, but for which the owner is entitled to a federal tax credit.

(c) "Interest subsidy bonds" means bonds, the interest on which is includable in the income of the owner of the bonds for federal income tax purposes, but for which the issuer is entitled to federal interest subsidy payments based on a percentage of the interest payable on the interest subsidy bonds.

Subd. 3. **Method of sale.** Notwithstanding the provisions of section 16A.641, subdivision 4, the commissioner may sell any series of tax credit bonds or interest subsidy bonds at negotiated sale upon the terms and conditions and the restrictions the commissioner prescribes, but the commissioner may contract for investment banking and banking services only after receiving competitive proposals for the services. The commissioner may enter into all contracts deemed necessary or desirable to accomplish the sale in a cost-effective manner.

Subd. 4. **Sinking fund.** The commissioner's order authorizing the issuance of interest subsidy bonds must establish a separate sinking fund account for the interest subsidy bonds in the state bond fund. There is annually appropriated, as received, to each interest subsidy bond account, in addition to amounts appropriated under section 16A.641, the interest subsidy payments received from the federal government with respect to the issue of interest subsidy bonds in that year.

Subd. 5. **Sale.** Tax credit bonds and interest subsidy bonds must be sold at a price not less than 98 percent of their stated principal amount. No state trunk highway bond may be sold for a price of less than par and accrued interest.

History: 2009 c 88 art 6 s 1

16A.81 TECHNOLOGY DEVELOPMENT LEASE-PURCHASE FINANCING.

Subdivision 1. **Definitions.** The following definitions apply to this section.

(a) "Technology system project" means the development, acquisition, installation, and implementation of a technology system that is essential to state operations and is expected to have a long useful life.

(b) "Lease-purchase agreement" means an agreement for the lease and installment purchase of a technology system project, or a portion of the project, between the commissioner, on behalf of the state, and a vendor or a third-party financing source.

(c) "Technology development lease-purchase guidelines" means policies, procedures, and requirements established by the commissioner for technology system projects that are financed pursuant to a lease-purchase agreement.

Subd. 2. **Lease-purchase financing.** The commissioner may enter into a lease-purchase agreement in an amount sufficient to fund a technology system project and authorize the public or private sale and issuance of certificates of participation, provided that:

(1) the technology system project has been authorized by law to be funded pursuant to a lease-purchase agreement;

(2) the term of the lease-purchase agreement and the related certificates of participation shall not exceed the lesser of the expected useful life of the technology system project financed by the lease-purchase agreement and the certificates or ten years from the date of issuance of the lease-purchase agreement and the certificates;

(3) the principal amount of the lease-purchase agreement and the certificates is sufficient to provide for the costs of issuance, capitalized interest, credit enhancement, or reserves, if any, as required under the lease-purchase agreement;

(4) funds sufficient for payment of lease obligations have been committed in the authorizing legislation for the technology system project for the fiscal year during which the lease-purchase agreement is entered into; provided that no lease-purchase agreement shall obligate the state to appropriate funds sufficient to make lease payments due under such agreement in any future fiscal year; and

(5) planned expenditures for the technology system project are permitted within the technology development lease-purchase guidelines.

Subd. 3. **Covenants.** The commissioner may covenant in a lease-purchase agreement that the state will abide by the terms and provisions that are customary in lease-purchase financing transactions, including, but not limited to, covenants providing that the state:

(1) will maintain insurance as required under the terms of the lease-purchase agreement;

(2) is responsible to the lessor for any public liability or property damage claims or costs related to the selection, use, or maintenance of the technology system project, to the extent of insurance or self-insurance maintained by the state, and for costs and expenses incurred by the lessor as a result of any default by the state; or

(3) authorizes the lessor to exercise the rights of a secured party with respect to the technology system project or any portion of the project in the event of default or nonappropriation of funds by the state, and for the present recovery of lease payments

due during the current term of the lease-purchase agreement as liquidated damages in the event of default.

Subd. 4. Credit and appropriation of proceeds. Proceeds of the lease-purchase agreement and certificates of participation must be credited to a technology lease project fund in the state treasury. Net income from investment of the proceeds, as estimated by the commissioner, must be credited to the appropriate accounts in the technology lease project fund. Funds in the technology lease project fund are appropriated for the purposes described in the authorizing law for each technology development project and this section.

Subd. 5. Transfer of funds. Before the lease-purchase proceeds are received in the technology lease project fund, the commissioner may transfer to that fund from the general fund amounts not exceeding the expected proceeds from the lease-purchase agreement and certificates of participation. The commissioner shall return these amounts to the general fund by transferring proceeds when received. The amounts of these transfers are appropriated from the general fund and from the technology lease project fund.

Subd. 6. Administrative expenses. Actual and necessary travel and subsistence expenses of employees and all other nonsalary expenses incidental to the sale, printing, execution, and delivery of the lease-purchase agreement and certificates of participation may be paid from the lease-purchase proceeds. The lease-purchase proceeds are appropriated for this purpose.

Subd. 7. Treatment of technology lease project fund. Lease-purchase proceeds remaining in the technology lease project fund after the purposes for which the lease-purchase agreement was undertaken are accomplished or abandoned, as determined by the commissioner, must be transferred to the general fund.

Subd. 8. Lease-purchase not public debt. A lease-purchase agreement 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 payments or obligations under such agreement. Payments due under a lease-purchase agreement during a current lease term for which money has been appropriated is a current expense of the state.

Subd. 9. Tax treatment. Property purchased subject to a lease-purchase agreement under this section is not subject to personal property taxes. The purchaser of property for lease to the state under a valid lease-purchase agreement under this section is not subject to the sales tax on the purchase of the property or on the payments received under the agreement, but the state is subject to the tax under chapter 297A on property acquired under the agreement.

Subd. 10. Refunding certificates. The commissioner from time to time may enter into a new lease-purchase agreement and issue and sell certificates of participation for the purpose of refunding any lease-purchase agreement and related certificates of participation then outstanding, including the payment of any redemption premiums, any interest accrued or that is to accrue to the redemption date, and costs related to the issuance and sale of such refunding certificates. The proceeds of any refunding certificates may, in the discretion of the commissioner, be applied to the purchase or payment at maturity of the certificates to be refunded, to the redemption of outstanding lease-purchase agreements and certificates on any redemption date, or to pay interest on the refunding lease-purchase agreements and certificates and may, pending such application, be placed in escrow to be applied to such purchase, payment, retirement, or redemption. Any escrowed proceeds, pending such use, may be invested and reinvested in obligations that are authorized investments under section 11A.24. The income earned or realized on any authorized investment may also be applied to the payment of the lease-purchase agreements and certificates to be refunded, interest or premiums on the refunded certificates, or to pay interest on the refunding lease-purchase agreements and certificates. After the terms of the escrow have been fully satisfied, any balance of proceeds and any investment income may be returned to the general fund, or

if applicable, the technology lease project fund, for use in a lawful manner. All refunding lease-purchase agreements and certificates issued under the provisions of this subdivision must be prepared, executed, delivered, and secured by appropriations in the same manner as the lease-purchase agreements and certificates to be refunded.

History: 2009 c 101 art 2 s 50

16A.82 TECHNOLOGY LEASE-PURCHASE APPROPRIATION.

\$3,548,000 in fiscal year 2010; \$3,546,000 in fiscal year 2011; and \$10,054,000 in each fiscal year 2012 through 2019 are appropriated from the general fund to the commissioner to make payments under a lease-purchase agreement as defined in section 16A.81 for replacement of the state's accounting and procurement systems, provided that the state is not obligated to continue such appropriation of funds or to make lease payments in any future fiscal year. Any unexpended portions of this appropriation cancel to the general fund at the close of each biennium. This section expires June 30, 2020.

History: 2009 c 101 art 2 s 51

16A.86 CAPITAL PROJECT GRANTS TO POLITICAL SUBDIVISIONS.

[For text of subd 1, see M.S.2008]

Subd. 2. **Budget request.** A political subdivision that requests an appropriation of state money for a local capital improvement project is encouraged to submit the request to the commissioner of management and budget by July 15 of an odd-numbered year to ensure its full consideration. The requests must be submitted in the form and with the supporting documentation required by the commissioner of management and budget. All requests timely received by the commissioner must be submitted to the legislature, along with the governor's recommendations, whether or not the governor recommends that a request be funded, by the deadline established in section 16A.11, subdivision 1.

Subd. 3. [Repealed, 2009 c 93 art 1 s 47]

Subd. 3a. **Information provided.** All requests for state assistance under this section must include the following information:

(1) the name of the political subdivision that will own the capital project for which state assistance is being requested;

(2) the public purpose of the project;

(3) the extent to which the political subdivision has or expects to provide local, private, user financing, or other nonstate funding for the project;

(4) a list of the bondable activities that the project encompasses; examples of bondable activities are public improvements of a capital nature for land acquisition, predesign, design, construction, and furnishing and equipping for occupancy;

(5) whether the project will require new or additional state operating subsidies;

(6) whether the governing body of the political subdivision requesting the project has passed a resolution in support of the project and has established priorities for all projects within its jurisdiction for which bonding appropriations are requested when submitting multiple requests; and

(7) if the project requires a predesign under section 16B.335, whether the predesign has been completed at the time the capital project request is submitted, and whether the political subdivision has submitted the project predesign to the commissioner of administration for review and approval.

[For text of subd 4, see M.S.2008]

History: 2009 c 93 art 1 s 23,24; 2009 c 101 art 2 s 109