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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. 1985

March 12, 2007

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The bill was read for the first time and referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to health; clarifying the purpose of the health care access fund; providing
1.3 for a contingent reduction in the MinnesotaCare provider tax; eliminating certain
1.4 transfers from the health care access fund; amending Minnesota Statutes 2006,
1.5 sections 16A.724; 295.52, by adding a subdivision; repealing Minnesota Statutes
1.6 2006, sections 16A.724, subdivision 2; 295.581.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. Minnesota Statutes 2006, section 16A.724, is amended to read:

1.9 **16A.724 HEALTH CARE ACCESS FUND.**

1.10 Subdivision 1. **Creation of fund.** A health care access fund is created in the state
1.11 treasury. The fund is a direct appropriated special revenue fund. The commissioner shall
1.12 deposit to the credit of the fund money made available to the fund. Notwithstanding
1.13 section 11A.20, after June 30, 1997, all investment income and all investment losses
1.14 attributable to the investment of the health care access fund not currently needed shall
1.15 be credited to the health care access fund.

1.16 Subd. 1a. **Purpose of fund.** The purpose of the health care access fund is to finance
1.17 affordable health care services for low-income Minnesotans and Minnesota families.
1.18 Money in the fund shall be used solely for this purpose.

1.19 Subd. 2. **Transfers.** (a) Notwithstanding ~~section 295.581~~ subdivision 3, to the
1.20 extent available resources in the health care access fund exceed expenditures in that fund,
1.21 effective with the biennium beginning July 1, 2007, the commissioner of finance shall
1.22 transfer the excess funds from the health care access fund to the general fund on June 30
1.23 of each year, provided that the amount transferred in any fiscal biennium shall not exceed
1.24 \$96,000,000.

2.1 (b) For fiscal years 2006 to 2009, MinnesotaCare shall be a forecasted program, and,
2.2 if necessary, the commissioner shall reduce these transfers from the health care access
2.3 fund to the general fund to meet annual MinnesotaCare expenditures or, if necessary,
2.4 transfer sufficient funds from the general fund to the health care access fund to meet
2.5 annual MinnesotaCare expenditures.

2.6 **Subd. 3. Prohibition on non-MinnesotaCare transfers from fund.**

2.7 Notwithstanding any law to the contrary, and notwithstanding section 645.33, money in
2.8 the health care access fund shall be appropriated only for purposes that are consistent with
2.9 past and current MinnesotaCare appropriations in Laws 1992, chapter 549; Laws 1993,
2.10 chapter 345; Laws 1994, chapter 625; and Laws 1995, chapter 234, or for initiatives that
2.11 are part of section 1115 of the Social Security Act health care reform waiver submitted to
2.12 the federal Centers for Medicare and Medicaid Services by the commissioner of human
2.13 services as appropriated in Laws 1995, chapter 234. Money in the health care access fund
2.14 may not be used to replace existing spending on subsidized health care programs.

2.15 Sec. 2. Minnesota Statutes 2006, section 295.52, is amended by adding a subdivision
2.16 to read:

2.17 **Subd. 8. Contingent reduction in tax rate.** (a) On September 1 of each year,
2.18 beginning September 1, 2007, the commissioner of finance shall determine the projected
2.19 balance of the health care access fund as of June 30 of the following year, based on
2.20 the most recent February forecast adjusted for any legislative session changes. If the
2.21 commissioner determines that the projected balance in the health care access fund as of
2.22 that June 30 will exceed 25 percent of the projected expenditures from the fund for the
2.23 fiscal year ending the following June 30, the commissioner of finance, in consultation with
2.24 the commissioner of revenue, shall reduce the tax rates specified in subdivisions 1, 1a, 2,
2.25 3, and 4, in one-fourth of one percent increments, so that the projected balance in the fund
2.26 is reduced to an amount equal to 25 percent of projected expenditures from the fund. The
2.27 reduced tax rate shall take effect on the January 1 that immediately follows the September
2.28 1 on which the commissioner determines the projected balance. The commissioner of
2.29 finance shall publish in the State Register by October 1 of each year the amount of tax to
2.30 be imposed for the following calendar year.

2.31 (b) If the commissioner determines that the projected balance in the health care
2.32 access fund as of June 30 will not exceed 25 percent of the projected expenditures from the
2.33 fund for the fiscal year ending the following June 30, the tax rates specified in subdivisions
2.34 1, 1a, 2, 3, and 4 shall continue to apply.

3.1 Sec. 3. **REPEALER.**

3.2 (a) Minnesota Statutes 2006, section 295.581, is repealed effective July 1, 2007.

3.3 (b) Minnesota Statutes 2006, section 16A.724, subdivision 2, is repealed effective

3.4 July 1, 2010.