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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **2313**

March 22, 2007

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

1.1 A bill for an act
1.2 relating to the budget reserve; modifying priorities for additional revenues in
1.3 general fund forecasts; appropriating money; amending Minnesota Statutes 2006,
1.4 section 16A.152, subdivision 2.

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

1.6 Section 1. Minnesota Statutes 2006, section 16A.152, subdivision 2, is amended to
1.7 read:

1.8 Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general
1.9 fund revenues and expenditures, the commissioner of finance determines that there will be
1.10 a positive unrestricted budgetary general fund balance at the close of the biennium, the
1.11 commissioner of finance must allocate money to the following accounts and purposes in
1.12 priority order:

1.13 (1) the cash flow account established in subdivision 1 until that account reaches
1.14 \$350,000,000; and

1.15 (2) 25 percent to the budget reserve account established in subdivision 1a until
1.16 that account reaches \$653,000,000; an amount equal to five percent of general fund
1.17 expenditures and transfers for the preceding biennium.

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

1.22 ~~(4) the amount necessary to restore all or a portion of the net aid reductions under~~
1.23 ~~section 127A.441 and to reduce the property tax revenue recognition shift under section~~
1.24 ~~123B.75, subdivision 5, paragraph (c), and Laws 2003, First Special Session chapter 9,~~

2.1 ~~article 5, section 34, as amended by Laws 2003, First Special Session chapter 23, section~~
2.2 ~~20, by the same amount.~~

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

2.7 (c) To the extent that a positive unrestricted budgetary general fund balance is
2.8 projected, appropriations under this section must be made before section 16A.1522 takes
2.9 effect.

2.10 ~~(d) The commissioner of finance shall certify the total dollar amount of the~~
2.11 ~~reductions under paragraph (a), clauses (3) and (4), to the commissioner of education. The~~
2.12 ~~commissioner of education shall increase the aid payment percentage and reduce the~~
2.13 ~~property tax shift percentage by these amounts and apply those reductions to the current~~
2.14 ~~fiscal year and thereafter.~~

2.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.16 Sec. 2. **BUDGET RESERVE INCREASE.**

2.17 On July 1, 2007, the commissioner of finance shall transfer \$150,000,000 to the
2.18 budget reserve account in the general fund. The amount necessary for this purpose is
2.19 appropriated from the general fund.

2.20 **EFFECTIVE DATE.** This section is effective July 1, 2007.