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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. **2590**

February 4, 2010

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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 capital investments; clarifying procedures to cancel appropriations
1.3 and bond authorizations for capital investment projects; providing for earlier
1.4 cancellation of capital appropriations; amending Minnesota Statutes 2008,
1.5 sections 16A.28, subdivision 5; 16A.642.

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

1.7 Section 1. Minnesota Statutes 2008, section 16A.28, subdivision 5, is amended to read:

1.8 Subd. 5. **Permanent improvements.** An appropriation to acquire or better
1.9 public land or buildings or other public improvements of a capital nature, including the
1.10 acquisition of real property, does not lapse until the purposes of the appropriation are
1.11 determined by the commissioner, after consultation with the affected agencies, to be
1.12 accomplished or abandoned, unless reported to the legislature under section 16A.642
1.13 before then. This subdivision also applies to any part of an appropriation for a fiscal year
1.14 that has been requisitioned to acquire real property or construct permanent improvements.
1.15 An appropriation to pay moving expenses lapses at the end of the third fiscal year during
1.16 which it was made available.

1.17 Sec. 2. Minnesota Statutes 2008, section 16A.642, is amended to read:

1.18 **16A.642 STATE BONDS CAPITAL INVESTMENT PROJECTS: REPORTS;**
1.19 **CANCELLATIONS.**

1.20 Subdivision 1. **Reports; cancellation of appropriations.** (a) The commissioner
1.21 ~~of management and budget~~ shall report to the chairs of the senate ~~Committee on Finance~~
1.22 and the house of representatives committees ~~on~~ responsible for finance, ways and means,
1.23 and capital investment by January 1 of each odd-numbered year ~~on the following:~~

2.1 ~~(1) all laws authorizing the issuance of state bonds or appropriating general fund~~
 2.2 ~~money appropriations from the general fund or a bond proceeds account for state or local~~
 2.3 ~~government capital investment projects or programs enacted more than four two years~~
 2.4 ~~before January 1 of that odd-numbered year; the projects authorized to be acquired~~
 2.5 ~~and constructed for~~ of ~~which less than 100 percent of the authorized total cost has~~
 2.6 ~~been expended, encumbered, or otherwise obligated;~~ The cost of contracts to be let in
 2.7 accordance with existing plans and specifications shall be considered expended for this
 2.8 report; ~~and~~ The report must include a brief description of the project or program for which
 2.9 the appropriation was made; a citation to the law making the appropriation; the amount
 2.10 of general fund money appropriated but not spent or otherwise obligated; and the amount
 2.11 of bonds not issued and bond proceeds held but not previously expended, encumbered, or
 2.12 otherwise obligated for these projects; ~~and~~ or programs.

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

2.19 (b) The commissioner shall also report on ~~general fund~~ appropriations for capital
 2.20 projects; ~~bond authorizations or bond proceed balances~~ from the general fund or a bond
 2.21 proceeds account that may be canceled because the commissioner has been advised by the
 2.22 affected agency or local government that the projects have been canceled, completed, or
 2.23 otherwise concluded; or ~~because~~ the purposes for which the money was appropriated ~~or~~
 2.24 ~~bonds were authorized or issued~~ have been canceled, completed, or otherwise concluded.

2.25 (c) ~~The general fund appropriations, bond authorizations or bond proceed balances~~
 2.26 that are unencumbered or otherwise not obligated that are reported by the commissioner
 2.27 under this subdivision are canceled, effective July 1 of the year of the report, unless
 2.28 specifically reauthorized by act of the legislature.

2.29 Subd. 2. **Cancellation of bond authorizations.** If, after consultation with the
 2.30 affected agencies or local governments, the commissioner determines that the purposes for
 2.31 which general obligation bonds of the state have been issued ~~or for which general fund~~
 2.32 ~~monies were appropriated are~~ have been accomplished or abandoned, ~~after consultation~~
 2.33 ~~with the affected agencies,~~ and there is a remaining authorization ~~or appropriation~~
 2.34 specific project of \$500 or less, the commissioner may cancel the remaining authorization
 2.35 ~~or appropriation~~ for that project. The commissioner must notify the chairs of the senate
 2.36 ~~Finance Committee and the house of representatives~~ committees responsible for finance,

3.1 ~~ways and means, and capital investment Committee of any bond authorizations or general~~
3.2 ~~fund appropriations canceled under this subdivision.~~

3.3 Subd. 3. **Application of unused bond proceeds.** All canceled bond proceeds
3.4 shall be transferred to the state bond fund and used to pay or redeem bonds from which
3.5 they were derived.

3.6 ~~Subd. 4. **General fund cancellations.** All canceled general fund appropriations for~~
3.7 ~~capital improvement projects under this section are canceled to the general fund.~~