

SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 904

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DATE	D-PG	OFFICIAL STATUS
02/13/2017	583	Introduction and first reading Referred to Transportation Finance and Policy

1.1 A bill for an act

1.2 relating to transportation; financing the trunk highway system; allocating certain

1.3 general funds for the corridors of commerce program; appropriating money;

1.4 authorizing sale and issuance of state bonds; amending Minnesota Statutes 2016,

1.5 sections 16A.152, subdivisions 1b, 2; 161.088, subdivision 2, by adding a

1.6 subdivision.

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

1.8 Section 1. Minnesota Statutes 2016, section 16A.152, subdivision 1b, is amended to read:

1.9 Subd. 1b. **Budget reserve level.** (a) The commissioner of management and budget shall

1.10 calculate the budget reserve level by multiplying the current biennium's general fund

1.11 nondedicated revenues and the most recent budget reserve percentage under subdivision 8.

1.12 (b) If, on the basis of a November forecast of general fund revenues and expenditures,

1.13 the commissioner of management and budget determines that there will be a positive

1.14 unrestricted general fund balance at the close of the biennium and that the provisions of

1.15 subdivision 2, paragraph (a), clauses (1), ~~(2)~~, ~~(3)~~, to (4), ~~(5)~~, ~~and (6)~~ are satisfied, the

1.16 commissioner shall transfer to the budget reserve account in the general fund the amount

1.17 necessary to increase the budget reserve to the budget reserve level determined under

1.18 paragraph (a). The amount of the transfer authorized in this paragraph shall not exceed 33

1.19 percent of the positive unrestricted general fund balance determined in the forecast.

1.20 **EFFECTIVE DATE.** This section is effective July 1, 2017.

1.21 Sec. 2. Minnesota Statutes 2016, section 16A.152, subdivision 2, is amended to read:

1.22 Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund

1.23 revenues and expenditures, the commissioner of management and budget determines that

2.1 there will be a positive unrestricted budgetary general fund balance at the close of the current
 2.2 biennium, the commissioner of management and budget must allocate money to the following
 2.3 accounts and purposes in priority order:

2.4 (1) the cash flow account established in subdivision 1 until that account reaches
 2.5 \$350,000,000;

2.6 (2) the budget reserve account established in subdivision 1a until that account reaches
 2.7 \$1,596,522,000;

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

2.12 (4) the amount necessary to restore all or a portion of the net aid reductions under section
 2.13 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75,
 2.14 subdivision 5, by the same amount; and

2.15 (5) in each February forecast, any unallocated balance of up to \$50,000,000 to the
 2.16 corridors of commerce account under section 161.088, subdivision 2a.

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

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

2.26 (d) For purposes of this subdivision, "unallocated balance" is calculated as the greater
 2.27 of zero or:

2.28 (1) the forecasted unrestricted general fund balance at the close of the current biennium;
 2.29 less

2.30 (2) the amounts as determined to meet the requirements under paragraph (a), clauses (1)
 2.31 to (4); less

2.32 (3) the amount determined under subdivision 1b, paragraph (b); plus

3.1 (4) in an odd-numbered year, the forecasted unrestricted general fund balance at the
 3.2 close of the biennium following the current biennium, less the amount identified in clause
 3.3 (1).

3.4 **EFFECTIVE DATE.** This section is effective July 1, 2017.

3.5 Sec. 3. Minnesota Statutes 2016, section 161.088, subdivision 2, is amended to read:

3.6 Subd. 2. **Program authority; funding.** (a) As provided in this section, the commissioner
 3.7 shall establish a corridors of commerce program for trunk highway construction,
 3.8 reconstruction, and improvement, including maintenance operations, that improves commerce
 3.9 in the state.

3.10 (b) The commissioner may expend funds under the program from appropriations to the
 3.11 commissioner that are:

3.12 (1) made from the corridors of commerce account under subdivision 2a;

3.13 (2) made specifically by law for use under this section;

3.14 ~~(2)~~ (3) at the discretion of the commissioner, made for the budget activities in the state
 3.15 roads program of operations and maintenance, program planning and delivery, or state road
 3.16 construction; and

3.17 ~~(3)~~ (4) made for the corridor investment management strategy program, unless specified
 3.18 otherwise.

3.19 (c) The commissioner shall include in the program the cost participation policy for local
 3.20 units of government.

3.21 **EFFECTIVE DATE.** This section is effective July 1, 2017.

3.22 Sec. 4. Minnesota Statutes 2016, section 161.088, is amended by adding a subdivision to
 3.23 read:

3.24 Subd. 2a. **Corridors of commerce account; appropriation.** (a) A corridors of commerce
 3.25 account is established in the trunk highway fund. The account consists of funds provided
 3.26 under section 16A.152 and any other money donated, allotted, transferred, or otherwise
 3.27 provided to the account.

3.28 (b) Money in the account is annually appropriated to the commissioner for the corridors
 3.29 of commerce program and may only be expended on a project funded under this section.

3.30 **EFFECTIVE DATE.** This section is effective July 1, 2017.

4.1 Sec. 5. **CORRIDORS OF COMMERCE; APPROPRIATION AND TRUNK**
4.2 **HIGHWAY BOND SALE AUTHORIZATION.**

4.3 \$300,000,000 is appropriated from the bond proceeds account in the trunk highway fund
4.4 to the commissioner of transportation for the corridors of commerce program under
4.5 Minnesota Statutes, section 161.088.

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

4.7 Sec. 6. **BOND SALE AUTHORIZATION.**

4.8 To provide the money appropriated in section 5 from the bond proceeds account in the
4.9 trunk highway fund, the commissioner of management and budget shall sell and issue bonds
4.10 of the state in an amount up to \$300,000,000 in the manner, upon the terms, and with the
4.11 effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota
4.12 Constitution, article XIV, section 11, at the times and in the amounts requested by the
4.13 commissioner of transportation. The proceeds of the bonds, except accrued interest and any
4.14 premium received from the sale of the bonds, must be deposited in the bond proceeds account
4.15 in the trunk highway fund.

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