

CHAPTER 16A

DEPARTMENT OF FINANCE

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16A.01 CREATION; COMMISSIONER; DEPUTIES; EMPLOYEES.

Subdivision 1. The department of finance is hereby created under the control and supervision of the commissioner of finance, which office is hereby established. The commissioner is the chief accounting officer, the principal financial officer and the state controller.

Subd. 2. The commissioner of finance is appointed by the governor under the provisions of section 15.06. The commissioner shall have broad experience as an executive financial manager.

Subd. 3. The commissioner may appoint one deputy commissioner, and a confidential secretary, each of whom shall serve at the pleasure of the commissioner in the unclassified service.

Subd. 4. Subject to the provisions of Laws 1973, Chapter 492 and to other applicable laws governing a state department or agency, the commissioner shall organize the department and employ such other officers, employees, and agents as he may deem necessary to discharge the functions of his department, define the duties of such officers, employees, and agents and to delegate to them any of his powers, duties, and responsibilities subject to his control and under such conditions as he may prescribe. Personnel employed pursuant to this subdivision are in the classified service of the state civil service.

History: 1973 c 492 s 1; 1977 c 305 s 8,9

16A.02 TRANSFER OF DUTIES FROM STATE AUDITOR.

Subdivision 1. Except as otherwise provided for in this section, all the powers, duties, and responsibilities now vested in and imposed upon the state auditor are hereby transferred to, vested in, and imposed upon the department of finance.

Subd. 2. The state auditor shall continue to exercise the powers, duties, and responsibilities which heretofore have been or which may hereafter be by law vested in, and imposed upon him relating to certifying the state tax to the several county auditors, certifying the tax necessary to be levied in connection with the repayment of moneys borrowed by the state or its department and agencies or moneys loaned by the state as authorized by law; he shall also continue to exercise such powers, duties and responsibilities prescribed by the constitution and as a member of a governmental council, board or association.

History: 1973 c 492 s 2

16A.04 TRANSFER OF POWERS FROM DEPARTMENT OF ADMINISTRATION.

Subdivision 1. The department of finance shall prepare a biennial budget and a ten year cash receipts and disbursement projection in consultation with the commissioner of administration under the supervision of the governor. In even numbered years immediately before the inauguration of a new governor, such budget and a ten year cash receipts and disbursement projection shall be prepared under the supervision of the governor-elect.

Subd. 2. All the powers, duties, and responsibilities now vested in and imposed upon the commissioner of administration by sections 3.30, relating to the contingent fund; 16.027, relating to payrolls; 16.138, relating to reimbursements; 16.14, 16.15, and 16.155 relating to budgets and the budget, are transferred to, vested in and imposed upon the department of finance.

Subd. 3. All the powers, duties, and responsibilities now vested in and imposed upon the commissioner of administration by sections 16.20, 16.245, 16.25, 16.62, 16.63, 16.64 and any other law relating to the supervision and control of accounts and expenditures of the state government, its departments and agencies including but not limited to fees, payroll deductions, tax withholding, and compensation schedules, are hereby transferred to, vested in, and imposed upon the department of finance.

Subd. 4. The department of finance may make rules and regulations governing the powers, duties, and responsibilities transferred to it under the terms of Laws 1973, Chapter 492.

History: 1973 c 492 s 4

16A.05 [Repealed, 1977 c 410 s 19]**16A.055 DUTIES OF COMMISSIONER.**

The commissioner of finance shall exercise the rights, powers, and duties vested in and imposed upon his office. He shall have charge of the administration of the financial affairs of the state. He shall keep the general books of account of the state. The general books of account shall be on a double entry control basis, with such revenue, expenditure, asset and liability accounts as will give complete control over all financial and expenditure operations of the state and over all officials, departments, and agencies of the state government. Accounts shall be set both as to expenditures and revenue according to generally accepted practice in governmental accounting. The commissioner of finance shall formulate and prescribe for all departments and other state agencies a system of uniform records.

accounts, financial statements, estimates, revenue receipt forms, vouchers, bills, and demands with suitable instructions governing the installation and use thereof. The accounting system and form so prescribed shall be adopted and employed by all officials, departments, and agencies of the state government. The commissioner of finance shall exercise constant supervision and control thereof. He shall provide state officials, departments and agencies the expertise necessary to assure that all state funds are accounted for in a manner consistent with generally accepted accounting principles. All accounting and financial records shall be kept on the fiscal year basis of 12 months ending at midnight between June 30 and July 1. The commissioner of finance and his designated agents shall at all times have free access to the books, records, accounts, and papers of the several departments and agencies.

To accomplish the above duties, the commissioner may assign a designee to any department or agency of the state to monitor the fiscal activities therein, insure compliance with statutes and administrative requirements promulgated by the commissioner and provide any additional assistance he deems appropriate. Development of a budget consistent with a department or agency's goals, responsibilities and priorities and supervision of a department or agency's personnel shall be the responsibility of the department or agency head.

Nothing in this section shall be construed as authorizing the commissioner of finance to require any public retirement fund to adopt or implement financial or actuarial reporting practices or procedures that do not conform with the provisions of section 356.20 or 356.215.

History: 1939 c 431 art 3 s 1; 1955 c 863 s 15; 1973 c 492 s 3; 1976 c 231 s 3; 1979 c 314 s 1 (80-2)

16A.06 OTHER POWERS.

The commissioner of finance:

(1) Shall require each department in the executive branch to prepare financial reports in such form, and to be made at such intervals, as he may prescribe which will permit administrative and legislative comparisons of spending plans in relation to appropriations for programs and activities;

(2) Shall formulate and prescribe a system of measuring the effect of fund expenditures which will permit the evaluation and comparisons of the cost of functions or programs;

(3) Shall require each department to state in writing objectives of each activity or function authorized against which performance may be measured. The objectives shall be specific as to amount and time and for a period including the current and the following biennium and reported at such times and in such form as the commissioner shall direct;

(4) Shall require the department of revenue and other departments in the executive branch to report at his designated intervals concerning estimates of income and receipts whether from taxes or otherwise, and use such information in evaluating the financial condition and affairs of the state;

(5) Shall make such reports concerning the financial affairs of the state as the governor or the commissioner of administration may direct in addition to such reporting as may be otherwise prescribed by law;

(6) Shall require such reports and other information of the state treasurer and other departments and agencies in the executive branch as will permit formulation of policy on all fiscal and financial matters of state government.

History: 1973 c 492 s 6; 1973 c 582 s 3

16A.065 ADVANCE PAYMENTS AND DEPOSITS.

Notwithstanding any other law to the contrary, the commissioner of finance may allow advance deposits or payments by any department for the procurement of software or software maintenance services for state-owned or leased electronic data processing equipment.

History: 1980 c 614 s 54

16A.07 EFFECT OF TRANSFER OF FUNCTIONS.

Subdivision 1. With reference to the powers, duties, and responsibilities which by Laws 1973, Chapter 492 have been transferred to the department of finance, the department of finance is deemed to be the successor of the state auditor, and the commissioner of administration and the matters within the jurisdiction of such former offices shall not be deemed to be a new authority.

Subd. 2. Any proceeding, court action, prosecution, or other business or matter undertaken or commenced prior to the passage of Laws 1973, Chapter 492 with reference to powers, duties, and responsibilities of the state auditor, or the commissioner of administration which by Laws 1973, Chapter 492 are transferred to the commissioner of finance are hereby assigned to the department of finance, and such pending matters may be continued and completed by the department of finance in the same manner and under the same terms and conditions and with the same effect as if such matters were undertaken, commenced and completed prior to the time of such transfer.

Subd. 3. With reference to the powers, duties, and responsibilities transferred by Laws 1973, Chapter 492 from the state auditor, and the department of administration to the department of finance, the state auditor, the state treasurer and the commissioner of administration shall transfer and deliver to the department of finance all contracts, books, maps, papers, notes, bonds, cash, securities, money, records, and other property of every description within their jurisdiction or control relating thereto. The commissioner of finance is directed to take possession of such matters which have been transferred to his department. The commissioner of finance may require the public examiner to make such audits as he may deem necessary in addition to those required by law in connection with this section.

Subd. 4. Whenever in any other general law, heretofore or hereafter adopted, or any document, record, or proceeding authorized by the same, any word or phrase is used in reference to or descriptive of any power, duty, or responsibility which by Laws 1973, Chapter 492 is transferred from the state auditor, or the commissioner of administration to the department of finance, such word, phrase, or reference shall hereafter, unless the context or provision of Laws 1973, Chapter 492 otherwise requires, be deemed to refer to, include, or describe the department of finance.

Subd. 5. All unexpended funds appropriated to the state auditor, or the commissioner of administration for the purposes of any of the powers, duties, and responsibilities which by Laws 1973, Chapter 492, are transferred to the department of finance are hereby transferred and reappropriated to such department. Where unexpended funds appropriated to the state auditor or the department of administration include funds for powers, duties, and responsibilities which are not transferred, the governor shall allocate the appropriation between the state auditor, and the department of finance and the commissioner of administration and the department of finance, and the money so allocated is hereby reappropriated to the department of finance.

Subd. 6. Except as otherwise provided in Laws 1973, Chapter 492, all persons in the classified service of the state and employed by the state auditor or

the department of administration for the purposes of any of the powers, duties or responsibilities which are transferred by Laws 1973, Chapter 492 to the department of finance are hereby transferred to the department of finance.

Subd. 7. The state auditor is the successor of the public examiner as to such powers, duties, and responsibilities as have been transferred to him from the public examiner and not a new authority. The legislative auditor is the public examiner as to such powers, duties, and responsibilities which the public examiner will continue to perform but as the legislative auditor.

Subd. 8. All persons in the classified service of the state and employed by the public examiner in performing the duties transferred to the state auditor are transferred to the state auditor without loss of any right or privilege. All persons in the classified service of the state and employed by the public examiner in performing duties which will be performed by the public examiner as legislative auditor will continue in the classified service without loss of right or privilege.

Subd. 9. All unexpended funds appropriated to the public examiner shall be allocated by the governor between the state auditor and the legislative auditor to carry out the divisions of authority prescribed by Laws 1973, Chapter 492 governing such officers and such reallocated funds are appropriated accordingly.

History: 1973 c 492 s 13

16A.08 OFFICE FACILITIES.

The commissioner of administration if necessary shall rearrange the offices and space allotted therefor to the state auditor, the state treasurer and the commissioner of administration in order to provide the department of finance with adequate and proper offices, and to that end may move the office facilities.

History: 1973 c 492 s 16

16A.09 [Repealed, 1976 c 231 s 34]

16A.095 BUDGET SYSTEM.

Subdivision 1. [Repealed, 1977 c 455 s 95]

Subd. 2. **Establishment of program.** The commissioner of finance shall promulgate regulations and instructions applicable to budget preparation governing the classification of expenditures and the content, and submission of budget requests and appropriation measures. The commissioner of finance shall from time to time select agencies and departments to implement improvements in the budget system. The commissioner of finance shall make recommendations to the legislature on the subject of any legislation or special appropriations which may be required for implementation of improvements in the budgeting system for all state departments and agencies. The budget system shall, to the greatest extent practicable, emphasize alternative approaches in the program development and criteria for performance evaluation and measurement. All state departments and agencies shall cooperate with the commissioner of finance to assure implementation of budgets which meet the requirements of the commissioner of finance and which give due regard to the requirements of the various departments and agencies involved. No state agency shall begin or install any system of program or programmatic budgeting until it has first secured the explicit permission of the commissioner of finance.

Subd. 3. **Waiver of requirement of submitting budget.** Notwithstanding any other law to the contrary, the commissioner of finance after consulting the committee on appropriations of the house of representatives and the committee on finance of the senate may waive the requirements for submitting a budget by object of expenditure for agencies and departments which are, at his direction, requesting programmatic appropriations.

History: 1976 c 231 s 4; 1977 c 455 s 71

16A.10 COMMISSIONER TO PREPARE BUDGET.

Subdivision 1. **Budget estimate forms.** It shall be the duty of the commissioner, or his designated deputy, to prepare the budget for all state departments and agencies, subject to the approval of the governor. By May 1 of each even-numbered year, the commissioner shall furnish the committee on finance of the senate and the committee on appropriations of the house of representatives with copies of the budget forms he proposes to use in the detailed budget estimates presented by the governor to the legislature and shall receive their recommendations on possible improvements in the forms. The recommendations are advisory only. The commissioner shall furnish every department, official, and agency of the state authorized to expend state moneys with a sufficient number of budget estimate forms for its use by September first of each even-numbered year. The budget forms shall be so drawn as to show actual expenditures for the two preceding fiscal years, estimated expenditures for the current fiscal year, and estimates for each fiscal year of the succeeding biennium, the same data in respect to departmental receipts, and an estimated appropriation balance at the end of the current fiscal year. The estimated expenditures shall be classified to set forth the data by funds and character of expenditures, and the agency may be subclassified by programs and activities. The department revenue estimates shall show the basis upon which the estimates were made and the factors involved in the same, and shall be classified so as to show receipts by funds, programs, and activities. The estimates of expenditures and revenue shall be based upon the law in existence at the time the estimates are prepared.

Subd. 2. **Filing budget estimates.** Each state department, official, or agency shall, not later than the first day of October preceding the convening of the legislature, file with the commissioner its estimates in the form provided, including a concise explanation of its requests for any increased appropriations and for the expansion of services and the addition of new activities, a statement of the work accomplished during the preceding biennium and the work proposed to be done for the next biennium, and a list of all employees, their titles, and their salaries. The commissioner shall prepare estimates for all departments, boards, and agencies that fail to file requests. The commissioner shall transmit a copy of the budget estimates and accompanying information for the biennial budget as submitted by each department or agency to the commissioner to the committee on finance of the senate and to the committee on appropriations of the house of representatives on or before the 15th day of November of each even-numbered year.

Subd. 3. **Report to governor-elect.** The commissioner shall report the budget estimates to the governor-elect immediately after his election, and shall make available to him all information, staff, and facilities in the department relating to the budget.

History: 1939 c 431 art 3 s 14; 1977 c 455 s 72,73 (53-18m)

16A.11 BUDGET SUBMITTED TO LEGISLATURE.

Subdivision 1. **When to be submitted.** The governor shall, within three weeks after the first Monday in January in each odd-numbered year, submit the budget to the legislature. It shall include recommendations as to capital expenditure, but these need not be submitted until April 15. The budget shall include two parts.

Subd. 2. **Budget message.** Part 1 of the budget shall consist of a budget message prepared by the governor, including his recommendations with reference to the fiscal policy of the state government for the coming biennium, describing the important features of the budget plan, embracing a general budget summary setting forth the aggregate figures of the budget so as to show the balanced

relation between the total proposed expenditures and the total anticipated income, with the basis and factors on which the estimates are made, the amount to be borrowed, and other means of financing the budget for the ensuing biennium, compared with the corresponding figures for at least the last two completed fiscal years and the current year. The budget plan shall be supported by explanatory schedules or statements, classifying the expenditures contained therein by agencies and funds, and the income by agencies, sources, funds, and the proposed amount of new borrowing, as well as proposed new tax or revenue sources. The budget plan shall be submitted for all special and dedicated funds, as well as the general fund, and shall include the estimated amounts of federal aids, for whatever purpose provided, together with estimated expenditures therefrom.

Subd. 3. Detailed budget estimates. Part 2 of the budget shall embrace the detailed budget estimates both of expenditures and revenues. It shall also include statements of the bonded indebtedness of the state government, showing the actual amount of the debt service for at least the past two completed fiscal years, and the estimated amount for the current fiscal year and for the next two fiscal years, the debt authorized and unissued, the condition of the sinking funds, and the borrowing capacity. It shall also contain any statements relative to the financial plan which the governor may deem desirable or which may be required by the legislature. The detailed estimates shall include the budget request of each department or agency arranged in tabular form so it may readily be compared with the governor's budget for each department or agency. They shall also include, as part of each agency's organization chart, a summary of the personnel employed by the agency, showing the complement approved by the legislature for the current biennium, additional complement positions authorized through the governor or the commissioner of finance, positions transferred into or out of the agency, additional part-time and seasonal positions and the number of employees of all kinds actually employed by the agency on June 30 of the last complete fiscal year. To the extent practical, the summary of personnel shall also be shown for each functional division of the agency, and for each fund and type of appropriation.

Subd. 4. Further information furnished. The commissioner shall, upon request, furnish the governor or the legislature with any further information required concerning the budget, and shall, upon request, attend hearings of committees of the legislature in regard thereto.

History: 1939 c 431 art 2 s 15; 1969 c 399 s 1; 1973 c 35 s 5; 1974 c 355 s 43; 1977 c 455 s 74,75; 1978 c 791 s 17 (53-18n)

16A.12 [Repealed, 1977 c 455 s 95]

16A.123 APPROVED COMPLEMENT.

The approved complement set for an agency by law limits the number of personnel positions in the agency at any one time. The approved complement does not apply to independent contractors. In addition to the approved complement, part-time employees, seasonal or intermittent employees as defined by the commissioner of employee relations, summer student help, service workers, preservice trainees employed pursuant to affirmative action programs approved by the commissioner of employee relations, CETA employees, or employees engaged in repair or construction projects may be employed with the advance approval of the commissioner of finance who shall determine the need for them and that money is available. The approved complement applies to positions in the agency regardless of the fund or appropriation from which they are paid. If more than one approved complement figure for an agency is shown in a law, the figures may be taken as cumulative, or a larger figure may be taken as a total or subtotal of

related smaller figures, as the context indicates. Approved complement figures for an agency shown in separate laws enacted at the same biennial session of the legislature are cumulative.

Additional full-time positions over the number of the approved complement may be created on the basis of public necessity or emergency. The addition shall not be made without the written approval of the governor. The governor shall not approve the addition until after he has consulted with the legislative advisory commission and the commission has made its recommendation on the matter. The recommendation is advisory only. Failure or refusal to make a recommendation promptly is deemed a negative recommendation.

History: 1977 c 455 s 76; 1979 c 332 art 1 s 10; 1980 c 617 s 47; 1981 c 356 s 255

16A.125 STATE FOREST TRUST LANDS; FUNDS.

Subdivision 1. [Repealed, 1976 c 231 s 34]

Subd. 2. [Repealed, 1976 c 231 s 34]

Subd. 3. [Repealed, 1976 c 231 s 34]

Subd. 4. [Repealed, 1969 c 399 s 51]

Subd. 5. The term "state forest trust fund lands" as used in this subdivision, means any state school lands or other public lands subject to trust provisions under the state constitution and heretofore or hereafter set apart as state forest lands as provided by law.

The commissioner of finance and the state treasurer shall keep a separate account of all receipts from the sale of timber or other revenue from such state forest trust fund lands, to be known as the state forest suspense account, specifying the trust funds interested in such lands and the receipts therefrom, respectively.

As soon as practicable after the close of each fiscal quarter, upon information which shall be supplied by the commissioner of natural resources, the commissioner of finance shall determine and certify the total costs incurred by the state during that quarter under appropriations made for the protection, improvement, administration, and management of state forest trust fund lands for forestry purposes as authorized by law, specifying the trust funds interested in such lands.

As soon as practicable after the end of each fiscal year, the commissioner of finance and the state treasurer shall distribute the receipts credited to the state forest suspense account during that fiscal year as follows:

(1) The total costs incurred by the state for forest management purposes during the fiscal year as certified in this subdivision shall be transferred to the state forest development account, except that if the total costs exceed \$500,000, the costs in excess of \$500,000 shall be transferred to the forest management fund established under section 89.04.

(2) The balance of said receipts shall be transferred to the state trust funds concerned in accordance with their respective interests in the lands from which the receipts were derived.

All moneys accruing and credited to the state forest development account are appropriated to the division of forestry in the department of natural resources, subject to the supervision and control of the commissioner of natural resources, for the purpose of implementing the state forest resource management policy and plan on state forest trust fund lands, to remain available until expended.

All appropriations under this subdivision shall be expended subject to the provisions of law. No appropriation shall become available for expenditure until any estimates required by law are approved by the commissioner of finance. No obligation involving expenditure of money shall be entered into unless there is a

balance in the appropriation available not otherwise encumbered to pay obligations previously incurred.

Subd. 6. The term "state trust fund lands," as used in this section, means any state school lands or other public lands subject to trust provisions under the state constitution.

Beginning July 1, 1955, the commissioner of finance and the state treasurer shall keep a separate account of all receipts derived from the royalties on, or the sale or lease of, any minerals from such trust fund lands to be known as the state lands and minerals suspense account, specifying the trust funds interested in such lands and the receipts therefrom, respectively.

As soon as practicable after the close of each fiscal quarter after July 1, 1955, the commissioner of finance, upon the information supplied by the commissioner of natural resources, which the commissioner of natural resources is herewith directed to furnish, shall determine and certify to the commissioner of finance and the state treasurer the total costs incurred by the state during such quarter under appropriations heretofore made for the administration and management of such trust fund lands by the division of lands and forestry, or any other agency so administering and managing, specifying the trust funds interested in such lands, respectively.

As soon as practicable after the end of each fiscal year beginning with the year ending June 30, 1956, the commissioner of finance and the state treasurer shall distribute the receipts credited to the state lands and minerals suspense account during such fiscal year as follows:

All of the costs incurred by the state for the purposes aforesaid during such fiscal year and certified as hereinbefore provided, shall be transferred to the general fund as reimbursement for appropriations heretofore made for the purposes aforesaid. The balances of said receipts shall be transferred to the state trust funds concerned in accordance with their respective interests in the minerals from which the receipts were derived.

Subd. 7. [Repealed, 1976 c 231 s 34]

Subd. 8. [Repealed, 1976 c 231 s 34]

Subd. 9. [Repealed, 1976 c 231 s 34]

Subd. 10. [Repealed, 1976 c 231 s 34]

History: 1939 c 431 art 2 s 20; 1955 c 714 s 1,2; 1957 c 140 s 1; 1957 c 852 s 1-4; 1959 c 344 s 1-4; 1959 c 667 s 1,2; 1961 c 571 s 1; 1965 c 901 s 57 subd 6; 1967 c 314 s 1; 1967 c 905 s 9; 1969 c 399 s 1; 1969 c 567 s 3; 1969 c 1129 art 3 s 1; 1971 c 24 s 2; 1973 c 254 s 3; 1973 c 492 s 14; 1973 c 507 s 45; 1974 c 10 s 1; 1974 c 224 s 1; 1976 c 239 s 10; 1982 c 511 s 31 (53-18s)

NOTE: The amendments to subdivision 5 by Laws 1982, Chapter 511, Section 31 are effective July 1, 1983. See Laws 1982, Chapter 511, Section 37.

16A.126 COMMISSIONER TO APPROVE BILLING RATES FOR REVOLVING FUNDS.

The commissioner of finance shall approve the rates at which services are billed state departments or agencies by any revolving fund. In order to reduce revolving fund reserves maintained for unforeseen needs and thereby reduce the rates which using agencies must pay, the commissioner may transfer moneys not otherwise appropriated in the general fund to a revolving fund if, in the commissioner's judgment, a bona fide, immediate expenditure is necessary and if there are insufficient moneys in the revolving fund to meet the expenditure. Any money so transferred for the purchase of equipment shall be repaid to the general fund in installments over its useful life on a schedule established by the commissioner of

finance. Other moneys so transferred shall be repaid to the general fund on a schedule established by the commissioner of finance but within a period not to exceed five years.

History: 1976 c 231 s 5; 1977 c 410 s 5; 1979 c 333 s 72; 1980 c 614 s 55

16A.127 INDIRECT COSTS.

Subdivision 1. **Definitions.** As used in this section the following terms shall have the meanings given them:

(a) "State agency" means a state department, board, council, committee, authority, commission or other entity in the executive branch of state government;

(b) "Nongeneral fund moneys" means any moneys any state agency is authorized to receive and expend from a source other than the general fund;

(c) "Statewide indirect costs" means all operating costs incurred by the state treasurer and the departments of administration, finance and personnel which are attributable to the provision of services to any state agency;

(d) "Commissioner" means the commissioner of finance.

Subd. 2. **Statewide indirect cost plan.** Each year the commissioner shall prepare a statewide indirect cost plan showing the category and amount of statewide indirect costs attributable to each state agency for the current fiscal year. The commissioner shall submit copies of the plan to the governor and to the legislature pursuant to section 3.195.

Subd. 3. **Transfer of funds.** Pursuant to the statewide indirect cost plan the commissioner shall transfer to the general fund that portion of the statewide indirect costs applicable to nongeneral funds moneys received by any state agency for the previous fiscal year. Upon making such a transfer, the commissioner is authorized and directed to make appropriate entries in the records of the funds involved in the transfer. Notwithstanding the foregoing, the commissioner may determine, for reasons of sound fiscal management, to waive the transfer to the general fund of the indirect costs for certain nongeneral fund moneys. The commissioner shall report any waivers under this subdivision to the governor and the legislature at the time of his submission of the statewide indirect cost plan for the following fiscal year.

Subd. 4. **Federal indirect cost proposals.** Whenever a state agency applies or submits a budget for or receives federal moneys, the state agency shall prepare and submit to the appropriate federal agency an indirect cost proposal and make such further submissions necessary to obtain both statewide and state agency indirect cost moneys. Any indirect cost proposals and related documents must be submitted to and approved by the commissioner prior to the time they are submitted to the appropriate federal agency. A state agency need not prepare and submit an indirect cost proposal if it establishes to the commissioner's satisfaction that such submission is not economically feasible.

Subd. 5. **Transfer of funds, federal indirect cost proposal.** If the appropriate federal agency approves a state agency's indirect cost proposal, the commissioner shall transfer to the general fund that portion of the federal moneys received by the state agency attributable to statewide indirect costs. If the federal agency approves only a portion of the state agency's indirect cost proposal, the commissioner shall transfer to the general fund all or such part, if any, of that portion of the federal moneys received by the state agency attributable to statewide indirect costs that the commissioner deems appropriate. If the federal agency fails to approve any portion of the state agency's indirect cost proposal, the state agency shall submit documentation of the failure to approve and a statement of the reasons therefor to the commissioner.

Subd. 6. **Reports.** The commissioner shall require such information and reports from each state agency as he deems necessary to carry out the duties of this section.

Subd. 7. **Legislative auditor.** Unless otherwise specified by law, a state agency whose financial affairs are audited by the legislative auditor shall transfer to the general fund that portion of the cost of the audit applicable to the moneys received by the agency from sources other than the general fund. The collection by the legislative auditor of the cost of an audit may be waived in whole or in part by the legislative audit commission upon recommendation by the legislative auditor.

History: 1976 c 231 s 6

16A.128 FEE ADJUSTMENTS.

The fees fixed for the various accounts for which appropriations are made by law, shall be neither increased nor decreased except with the approval of the commissioner of finance. All these fees shall be reviewed at least once each six months, and, except in special fee situations as determined by the commissioner, adjustments shall be made to the end that the total fees received shall approximate the amount appropriated for the several accounts, plus the portion of the general support costs and statewide indirect costs of the agency that is attributable to the function for which the fee is charged. Fee adjustments authorized under this section may be made without a public hearing when the total fees estimated to be received during the fiscal biennium will not exceed the sum of all direct appropriations, indirect costs, transfers in, and salary supplements for that purpose for the biennium.

History: Ex1971 c 3 s 52; 1973 c 492 s 14; 1978 c 793 s 46; 1981 c 357 s 26; 2Sp1981 c 1 s 1; 3Sp1981 c 2 art 1 s 11

16A.1281 REPORT ON FEES.

The commissioner of finance shall review and analyze fees collected by state departments and agencies. The commissioner shall prepare a report on those fees in which the cost of collections of the fee and the service provided for the fee appear excessive in relation to the amount of the fee collected. The report shall be submitted by November 15 of any even numbered year to the committee on finance of the senate and the committee on appropriations of the house of representatives.

History: 1975 c 204 s 88

16A.129 COMMISSIONER'S POWERS.

The commissioner of finance shall have the power to require a complete record of the officers, assistants, and employees appointed or employed by the various officials, departments, and agencies of the state government and institutions, and to require the salaries of the same to be in conformity with the scale of compensation established pursuant to law; and to prepare and prescribe classes of expenditures and revenue for the purpose of budget-making and accounting.

History: 1925 c 426 art 3 s 4; 1939 c 441 s 39; 1973 c 492 s 14; 1973 c 507 s 45; 1976 c 2 s 5; 1976 c 231 s 7; 1977 c 347 s 8; 1978 c 674 s 5 (53-7)

16A.13 FEDERAL TAX WITHHOLDING.

Subdivision 1. **Creation.** There is hereby created and established the Victory Tax Fund in which shall be deposited all deductions made pursuant to this section. The state treasurer shall be ex-officio the custodian of all moneys

deposited with him to the credit of the victory tax fund and his general bond to the state shall cover all liability for his acts as custodian thereof. Such moneys shall be subject to all provisions of law governing the keeping and disbursement of state moneys, so far as applicable, except as otherwise herein provided.

Subd. 2. Commissioner to act as agent for the United States. The commissioner of finance is authorized and empowered to cooperate with and act as agent for the United States of America in the collection of any tax now or hereafter imposed by the United States of America upon any officer or employee of the state of Minnesota or his salary or wages which is to be collected by withholding it from the salary or wages of the officer or employee. The head of each department of the state is hereby required to cause such tax to be withheld by causing the necessary deduction to be made from the salary or wages of each of said persons on every payroll abstract and to approve one voucher payable to the state treasurer, custodian, victory tax fund, for the aggregate amount so deducted from the salaries or wages covered by said payroll abstract, provided that deductions from salaries or wages of officers or employees paid direct by any institution or agency of the state shall be made by the officer or employee authorized by law to pay such salaries or wages. Whenever an error has been made with respect to a deduction hereunder, proper adjustment shall be made by decreasing or increasing subsequent deductions. All warrants and checks for deductions hereunder shall be remitted promptly to the state treasurer who shall deposit the amount thereof to the credit of the victory tax fund. The money so deposited with the state treasurer shall be paid out upon authorization of the commissioner of finance by state warrant payable to the proper federal authority or such other person as may be authorized by law of the United States of America to receive the same. Such portion of said fund as may be necessary to discharge the obligation of the State of Minnesota to the United States of America now or hereafter imposed by any law of the United States of America requiring deductions from salaries or wages is hereby appropriated for such purpose.

Subd. 3. Commissioner to make reports. The commissioner of finance shall, as required by proper federal authority, make all necessary reports of deductions made hereunder and cause the moneys so deducted to be paid out as herein provided.

Subd. 4. Officers and employees to report to commissioner as required. All officers and employees shall prepare and transmit to the commissioner of finance such information and forms as he may require for the purposes of this section.

History: 1943 c 1 s 1-4; 1973 c 492 s 14

16A.131 SALARY DEDUCTIONS, AUTHORIZATION.

Subdivision 1. Every officer and employee of the state may purchase and pay for bonds, stamps, and other securities issued by the federal government by directing in writing to the appropriate officer of the department where he is employed that deductions of the amount specified by him be made from his salary. The head of each department of the state is hereby required to cause such deduction to be made from the salary of each said persons on every payroll abstract and to approve one voucher payable to the state treasurer for the aggregate amount so deducted from the salaries covered by said payroll abstract, provided that deductions from salaries of officers or employees paid direct by any institution or agency of the state shall be made by the officer or employee authorized by law to pay such salaries, and remitted by him to the director by check payable to the state treasurer with a statement showing the amount of each of such deductions and the names of the officers and employees on whose account the same have been made. The money so deposited with the state treasurer shall be paid out on authorization of the governor by state warrant payable to the

proper federal authority or to the officer or employee from whose salary the money was deducted, as the case may require.

Subd. 2. The commissioner of finance, with the written consent of a state employee, may deduct from the salary of the employee a sum agreed to by the employee for the purchase of mass transit ridership cards. The commissioner of finance shall deposit all money resulting from these payroll deductions in the special account authorized by section 16.72, subdivision 7.

History: 1951 c 678 s 1; 1980 c 614 s 56

16A.132 STAMPS.

Subdivision 1. As used in this section "stamps" includes all liquor stamps, fermented malt beverage stamps, and other stamps, tokens, or forms evidencing the payment of taxes or fees of any kind due to the state.

Subd. 2. All officers and members having custody of these stamps shall be accountable therefor at all times. They shall keep such records and make such reports as the commissioner of finance directs.

Subd. 3. Upon purchasing or contracting for these stamps, the commissioner of finance, with the advice and approval of the state treasurer, shall designate and design the form and denomination thereof, prescribe such requirements, and provide for such supervision of the manufacture and delivery thereof as is necessary to prevent forgery, misappropriation, and fraud. The printer or manufacturer of any stamps, shall deliver the stamps upon completion to the officer or employee of the state entitled to their custody. At the time of delivery he shall execute in triplicate a sworn statement stating the kind and number of the articles printed or manufactured and delivered, the precautions taken to prevent forgery, misappropriation, and fraud in connection therewith, and such other information as is required by the commissioner of finance and the state treasurer. One statement shall be delivered with the article described therein to the officer or employee of the state receiving the articles, and one to the commissioner of finance. No claim for payment for any such articles shall be allowed until these statements are delivered.

Subd. 4. All stamps which are salable for cash without further certification or authentication shall be delivered, when printed or manufactured, to the state treasurer, who shall have the exclusive right to sell them.

Subd. 5. Other stamps shall be delivered to and issued by the state treasurer. The state treasurer shall issue daily duplicate reports to the commissioners of finance, revenue and public safety showing the sales of stamps, the denominations thereof, and the persons purchasing them.

Subd. 6. Refunds to any purchaser for money paid for any stamps returned unfit for use or otherwise unused may be made upon such proof as is required by the commissioner of finance. If the commissioner of finance finds the proof to be correct, he may draw his voucher upon the state treasurer for the amount to be paid.

Subd. 7. The forging, with intent to defraud, of any stamp, evidencing, or intending to evidence, the payment of any tax or fee due to the state or any plate, die, or other device for the printing or manufacture of any such stamp is forgery. Every such stamp which is salable for cash, without further authentication or certification for the purposes of payment of any such tax or fee is deemed to be of the value of the amount of money designated thereon and for which the same is salable, and theft thereof is punished accordingly.

Subd. 8. The provisions of this section shall not exclude the application of any other laws, not inconsistent herewith, relating to the same subject matter, but are supplementary thereto.

History: 1955 c 863 s 21; 1965 c 35 s 1; 1973 c 492 s 14; 1976 c 5 s 11

16A.14 ALLOTMENT AND ENCUMBRANCE .

Subdivision 1. Allotment period. For the purposes of operation of the allotment system, each fiscal year shall be one fiscal year of 12 months which shall end at midnight between each June 30 and July 1, provided, that the commissioner of finance may prescribe a different period suited to the circumstances, not exceeding 12 months nor extending beyond the end of the fiscal year. This provision does not apply to allotments made with respect to appropriations made for constructions or permanent improvement.

Subd. 2. Funds to which system applies. Except as otherwise expressly provided therein, the provisions of this chapter relating to the allotment system and to the encumbering of funds shall apply to appropriations and funds of all kinds, including standing or annual appropriations and dedicated funds from which expenditures are to be made, from time to time, by or under the authority of any agency, but shall not apply to appropriations for the courts or the legislature, nor to payment of unemployment compensation benefits nor to the funds deposited in the state treasury for disbursement by the commissioner of transportation when acting as the agent of a political subdivision pursuant to law. In the case of construction or other permanent improvement contracts and transactions for the acquisition of real estate, equipment, repair, rehabilitation, appurtenances or utility systems to be used for public purposes, where periodical allotments are impracticable, the commissioner may dispense therewith and prescribe such regulations as will insure proper application and encumbering of funds. Contingent funds appropriated for the governor or the attorney general shall not be subject to the provisions thereof relating to allotment, but shall be subject to the other provisions thereof relating to expenditure and encumbering of funds.

Subd. 3. Appropriations available for allotment; spending plans. No appropriation to any agency shall become available for expenditure thereby during any allotment period until such agency shall have submitted to the commissioner of finance a spending plan in advance, in such form as the commissioner shall prescribe, for such allotment period next ensuing, of the amount required for each activity to be carried on and each purpose for which money is to be expended during that period, and until such spending plan shall have been approved, increased, or decreased by the commissioner of finance and funds allotted therefor.

Subd. 4. Spending plans within appropriation; approval procedure. If the spending plan is within the terms of the appropriation as to amount and purposes, having due regard for the probable further needs of the agency for the remainder of the fiscal year or other term for which the appropriation was made, and if there is a need for such appropriation for the next ensuing allotment period, the commissioner of finance shall approve the estimated amount for expenditure. Otherwise the commissioner of finance shall modify the spending plan so as to conform with the terms of the appropriation and the prospective needs of the agency and shall reduce the amount allotted accordingly. The commissioner of finance shall act promptly upon all spending plans, and shall notify every agency of its allotments at least five days before the beginning of each allotment period. The total amount allotted to any agency for the fiscal year or other terms for which the appropriation was made shall not exceed the amount appropriated for such year or term.

Subd. 5. Modification. The commissioner of finance shall also have authority at any time to modify or amend any spending plan previously approved by him, upon application of or upon notice to the agency concerned, and upon a showing of emergency or other cause; provided, no deficit or undue reduction of funds to meet future needs of such agency will result therefrom.

History: 1976 c 166 s 7; 1976 c 231 s 8

16A.15 ACCOUNTING SYSTEM; ALLOTMENT AND ENCUMBRANCE.

Subdivision 1. **Reduction.** In case the commissioner of finance shall discover at any time that the probable receipts from taxes or other sources for any appropriation, fund, or item will be less than was anticipated, and that consequently the amount available for the remainder of the biennium will be less than the amount estimated or allotted therefor, he shall, with the approval of the governor, and after notice to the agency concerned, either:

(a) after consultation with the legislative advisory commission created by section 3.30, transfer from the budget reserve account established in section 16A.153, to the general fund the amount necessary to balance revenue and expenditures;

(b) reduce the amount allotted or to be allotted so as to prevent a deficit; or

(c) make any combination of transfers and reductions as provided by clauses (a) and (b).

In like manner he shall request reduction of the amount allotted or to be allotted to any agency by the amount of any saving which can be effected upon previous spending plans through a reduction in prices or other cause.

Subd. 2. **Commissioner of finance; accounting system.** There shall be kept in the office of the commissioner of finance an accounting system showing at all times, by funds and items, the amounts appropriated for and the estimated revenues of such agency, the amounts allotted and available for expenditure, the amounts of expenditures or obligations authorized to be incurred, actual receipts and disbursements, actual balances on hand, and the unencumbered balances after deduction of all actual and authorized expenditures.

Subd. 3. **Payment within allotment and encumbrance; exceptions.** No payment shall be made without prior obligation. No obligation shall be incurred against any fund, allotment, or appropriation unless the commissioner of finance shall first certify that there is a sufficient unencumbered balance in such fund, allotment, or appropriation to meet the same. Every expenditure or obligation authorized or incurred in violation of the provisions of this chapter shall be presumed invalid and shall be ineligible for payment until its validity is established as hereinafter provided. Every payment made in violation of the provisions of this chapter shall be deemed illegal, and every official authorizing or making such payment, or taking part therein, and every person receiving such payment, or any part thereof, shall be jointly and severally liable to the state for the full amount so paid or received. If any appointive officer or employee of the state shall knowingly incur any obligation or shall authorize or make any expenditure in violation of the provisions of this chapter or take part therein, it shall be grounds for his removal by the officer appointing him, and, if the appointing officer be other than the governor and shall fail to remove such officer or employee, the governor may exercise such power of removal, after giving notice of the charges and opportunity for hearing thereon to the accused officer or employee and to the officer appointing him. Claims presented against existing appropriations without prior allotment or encumbrance may, upon investigation, review, and approval by the commissioner of finance be determined valid where the services, materials, and supplies for which payment is claimed have been actually rendered or furnished to the state in good faith without collusion and without intent to defraud. Thereafter the commissioner of finance may draw his warrant in payment of such claims in the same manner in which other claims, properly allotted and encumbered prior to inception thereof, are paid.

Subject to approval by the commissioner of finance and pursuant to increases authorized by section 16.07, subdivision 1, the payment amount for materials and supplies may exceed the obligation amount.

Subd. 4. **Periodic allotment.** In the case of appropriations made for construction or other permanent improvement, including acquisition of real estate, equipment, repair, rehabilitation, appurtenances or utility systems, which appropriations do not lapse until the purposes for which the appropriations were made shall have been accomplished or abandoned, the commissioner of finance may dispense with periodic allotment and shall prescribe such regulations as will insure proper application and encumbrance of funds.

Subd. 5. **Notification of legislative committees.** If the commissioner of finance determines to reduce an allotment pursuant to subdivision 1 or if he determines it is necessary to withhold any payment after the statutorily prescribed date for payment in compliance with subdivision 3, the commissioner shall notify the committees on finance and taxes and tax laws of the senate, the committees on appropriations and taxes of the house of representatives. The notice shall be made in writing not later than 15 days after the reduction in the allotment is made or the date prescribed for payment for any payment withheld. The notice shall specify the amount of the reduction in the allotment and the agency and programs affected, the amount of any payments withheld, and any additional information the commissioner determines is appropriate.

History: 1973 c 492 s 23-26; 1976 c 231 s 10; 1978 c 793 s 47; 1981 c 1 s 2; 1Sp1981 c 5 s 1; 2Sp1981 c 1 s 3; 3Sp1981 c 1 art 1 s 1; 3Sp1981 c 2 art 2 s 3

16A.153 BUDGET RESERVE ACCOUNT.

The commissioner of finance, at the close of the state's accounts for the second fiscal year of each biennium, shall transfer to a budget reserve account in the state treasury the amount by which the unrestricted balance in the general fund exceeds \$25,000,000, up to \$100,000,000. Thereafter, one-half of the remainder of the unrestricted balance shall be transferred until the balance in the budget reserve account equals 2-1/2 percent of appropriations from the general fund for the current biennium.

History: 2Sp1981 c 1 s 2

16A.155 BUDGET AND ALLOTMENT SYSTEM; REFUNDS.

Notwithstanding the provisions of sections 16A.14 and 16A.15, or any other law to the contrary, the payment of a refund for any purpose authorized by law shall be chargeable against the fund, appropriation, allotment or encumbrance for the period in which the refund is paid.

History: 1976 c 231 s 11

16A.16 DEPARTMENT HEAD EXPENSES.

Heads of departments in the executive branch who receive a fixed salary of, or whose range midpoint is, \$36,000 annually or more, and constitutional officers, are authorized to expend annually a sum not to exceed \$2,000; and the heads of all other state departments are authorized to expend a sum not to exceed \$1,000 annually from their supply and expense funds for expenses necessary for the normal performance of their duties for which no other reimbursement is provided. The expenditures are subject to the statutes and rules of the state governing budgeting, allotment and encumbrance, preaudit, and post audit.

The commissioner of finance may promulgate rules as necessary to assure the proper expenditure of these funds, and to provide for reimbursement.

History: Ex1971 c 32 s 15; 1973 c 596 s 7; 1977 c 305 s 11

16A.17 PREPARATION OF STATE PAYROLL.

Subdivision 1. The commissioner of finance, with the approval of the governor, shall fix the time for payment of salaries due elective and appointive officers and employees of the state government. Salaries shall be paid either monthly, semi-monthly or for each two week period; provided, however, that no employee whose salary is less than the amount prescribed by Title 29, Code of Federal Regulations, Part 541, as amended through December 31, 1974, shall be paid on a monthly or longer basis.

Subd. 2. [Repealed, 1976 c 231 s 34]

Subd. 3. In order to utilize modern accounting methods in processing payrolls, the commissioner of finance may adjust salaries of all state officers and employees whether fixed by statute or otherwise on an annual, monthly, semi-monthly, daily or other basis, so that they are payable in equal payments throughout the year. The salaries so adjusted shall be based on a year of 2088 working hours. Odd fractions may be dropped or added in order to permit equal payments throughout the year regardless of whether the computation slightly decreases or increases the fixed annual, monthly, semi-monthly, daily or other salary of the state officers or employees.

Subd. 4. If the commissioner provides for equal payments of salaries throughout the year, the payroll shall be allocated as provided in this subdivision.

(1) If the payroll period extends beyond one quarter of the year and into another quarter of the year, the amount of the payroll for such payroll period shall be chargeable to the respective allotments and encumbrances according to procedures to be established by the commissioner of finance.

(2) This subdivision is applicable to salaries of state officers and employees payable in equal payments throughout the year notwithstanding any other provision in Minnesota Statutes. No provision of any subsequent law relating to the budget, allotment, and encumbrance system or to appropriations for the payment of salaries of state officers and employees shall be construed as inconsistent with this subdivision unless and except only so far as expressly provided in such subsequent act that the provisions of this subdivision shall not be applicable or shall be superseded, modified, amended, or repealed.

Subd. 5. Whenever in any law the duty is imposed upon the head of a state department or agency to make deductions from, or employer contributions on, the salaries and wages of state officers and employees for such purposes as are authorized or directed by law and to prepare or issue vouchers in connection therewith and the payroll for such officers and employees is prepared by the department of finance, such duties shall devolve upon the commissioner of finance. Notwithstanding any other law to the contrary, where a state officer or employee directs, in writing, that a voluntary deduction shall be made from his salary or wages, the officer or employee shall file an original and one copy of his written instruction with the credit union, organization, association, agency, or carrier to which the deduction is to be paid and the intended recipient of such deduction shall forward the original of the instruction, signed by the employee, together with such other information as the commissioner of finance may prescribe concerning the amount of the deduction or change therein to the head of the state department or agency who prepares the payroll involved.

Subd. 6. All payrolls for the compensation of work performed, by elective and appointive state officers and employees, in the executive branch shall be prepared by the department of finance. Upon request of the rules committee of the senate or house of representatives or the supreme court, as appropriate, the commissioner shall also prepare payrolls for the legislative and judicial branches by using pay procedures similar to those used in the executive branch.

Subd. 7. (1) The commissioner of finance may authorize certification by authorized officials as to hours worked for payroll purposes in anticipation of the hours actually worked. The commissioner shall prescribe procedures as may be necessary to assure that no payment shall be made for hours not worked unless covered by leave in accordance with collective bargaining agreements, or plans pursuant to section 43A.18 or rules of the department of employee relations or pursuant to the resolution of a grievance through the formal steps of a grievance procedure established by law or collective bargaining agreement or as provided in clause (2).

(2) Upon certification by the commissioner of finance, any agency of the state government shall release part or all of any fund held for an employee to correct an overpayment to any officer or employee described in subdivision 6 who has been erroneously paid.

Provided, however, that employee contributions in a retirement fund shall not be released until such time as the former state employee or person otherwise entitled thereto would be eligible to apply for a refundment and has been given proper notice. Amounts paid under the provisions of this section shall be considered the equivalent of a refundment. If an employee or survivor is entitled to an immediate or deferred annuity or survivor benefit, no funds shall be paid from his retirement account under the provisions of this section.

Subd. 8. [Repealed, 1975 c 273 s 3]

Subd. 9. In the instance of a direct appropriation for the costs of preparing the state payroll, all state departments and agencies shall be billed for their share of the payroll preparation costs through the indirect cost billing system, with the moneys collected being deposited in the general fund.

History: 1957 c 414 s 1; 1961 c 222 s 1,2; 1969 c 281 s 1; 1971 c 803 s 1,2; Ex1971 c 32 s 19; 1973 c 435 s 1; 1973 c 492 s 14; 1976 c 231 s 12-17; 1977 c 340 s 1; 1977 c 410 s 6; 1980 c 617 s 47; 1981 c 210 s 49

16A.18 JUDICIAL AND LEGISLATIVE BRANCHES, ACCOUNTING AND PAYROLL SYSTEMS.

Notwithstanding the provisions of any other law to the contrary, neither the judicial nor legislative branches of state government are required to participate in the statewide accounting system or in a computerized payroll system.

History: 1973 c 720 s 74

16A.19 RETIREMENT APPROPRIATIONS; DEFICIENCIES.

In the event that a direct appropriation for retirement contributions, benefits, or administrative expenses, or for social security contributions pursuant to section 355.46, 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 chief administrative official or the officer shall certify to the committee on finance of the senate, the committee on appropriations of the house of representatives, and the commissioner of finance the amount necessary to meet the deficiency. Upon this certification, the commissioner of finance shall transfer the necessary amounts to the appropriate accounts. The amount necessary to make the transfer is appropriated from the general fund in the state treasury to the agency to which or to the officer to whom the transfer is made.

History: 1980 c 614 s 57; 1981 c 224 s 17

16A.25 INVESTED FUNDS; CONVERSION INTO CASH; COMMISSIONER'S CERTIFICATION.

When it shall appear to the commissioner of finance that any invested funds are needed for current purposes before the maturity dates of the securities held, he shall so certify and it shall then be the duty of the board of investment to order the sale or conversion into cash of securities of the amount so certified.

History: 1973 c 492 s 10

16A.26 DEPOSIT OF TAX RECEIPTS IN SINGLE DEPOSITORY ACCOUNT FOR EACH TAX.

Notwithstanding the provisions of sections 290.361, 291.33, 297.13, 298.17, 298.282, 298.39, 298.396, 298.51, 298.64, 298.65, 340.60 and similar laws to the contrary relating to the depositing, disposition, or apportionment of tax receipts, the commissioner of finance may provide for a single depository account for each tax or kind of taxes providing adequate information is available to determine the source and disposition or apportionment of the tax to meet statutory requirements. The commissioner shall request such transfers and certifications as are necessary to meet such statutory requirements. The commissioner of finance may issue directives to implement the provisions of this section.

History: 1973 c 492 s 14; 1973 c 720 s 65; 1978 c 674 s 6; 1980 c 509 s 4

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

(a) Deposit of state funds in depositories by the treasurer under this section is subject to regulation by the commissioner of finance. He may determine the amount of funds to deposit in a depository and any other matter which he deems in the public interest. The treasurer shall comply with such regulations.

(b) All depositories with various noninterest bearing deposits which, as a group, total over \$100,000 shall report such balances as of the close of the previous business day by 9:00 a.m. daily to the treasurer and the commissioner of finance. The commissioner of finance shall record these daily balances, which shall be a matter of public record at the legislative reference library and reported monthly to the legislative audit commission.

(c) All state accounts shall be established by competitive bid among the designated depositories. The commissioner of finance shall send written notice of his intent to accept bids for the handling of the state account, or accounts, to all designated depositories. The notice shall specify such considerations, fiscal activities, and conditions as the commissioner may require. All such deposits shall be awarded by competitive bid to the lowest bidding depository which, in the opinion of the commissioner, has the capacity to discharge the required considerations, fiscal activities, and conditions.

(d) In exceptional cases, the commissioner may dispense with the bid procedure. In such event, he shall report the circumstances and reasons therefor to the legislative audit commission within five days after establishing the account.

(e) All presently existing state accounts shall be closed, and new accounts shall be established in compliance with the bid procedure established in clause (c) no later than one year after the effective date of Laws 1973, Chapter 492.

(f) Notwithstanding any provision in this section to the contrary, the commissioner of finance may agree to pay a depository a reasonable charge or keep appropriate compensating balances for handling state funds, for cashing state warrants, vouchers and the like.

History: 1973 c 492 s 8; 1977 c 403 s 2

16A.275 RECEIPTS DEPOSITED WITH STATE TREASURER.

All receipts from any source shall be deposited with the state treasurer each day, except as otherwise provided by law. Receipts under \$250 may be deferred until they aggregate that sum. When receipts are deposited, a report of all receipts since the last previous report and of the disposition thereof shall be made to the commissioner of finance by the depositing agency. All moneys received by the treasurer during any month shall be credited by him and by the commissioner of finance to the proper funds not later than the first day of the following month.

History: 1976 c 231 s 18; 2Sp1981 c 1 s 4

16A.276 CASH OVERAGE AND SHORTAGE ACCOUNT.

The commissioner of finance may establish accounts to record on a daily basis discrepancies between actual cash receipts and recorded cash receipts including losses from forged and uncollectible checks. At the end of each fiscal year, these accounts shall be cleared by transferring balances to the general fund and paying all deficits from the operating accounts of the various agencies generating the deficit. A report of all adjustments shall be made to the legislative audit commission upon closing the books of account each fiscal year.

History: 1978 c 793 s 48

16A.28 APPROPRIATIONS TO REVERT TO STATE TREASURY.

Except as specifically provided for in appropriation acts, every appropriation or part thereof of any kind hereafter made subject to the provisions of this section remaining unexpended and unencumbered at the close of any fiscal year shall lapse and the commissioner shall cause same to be returned to the fund from which such appropriation was made; provided, that the commissioner, with the approval of the governor, may reinstate a lapsed appropriation within three months after the date the appropriation lapsed. An appropriation reinstated pursuant to this section shall lapse no later than three months after the date the appropriation has lapsed. No payment may be made pursuant to a reinstated appropriation except as provided under section 16A.15, subdivision 3. Notwithstanding the foregoing, an appropriation for construction or other permanent improvement shall not lapse until the purposes for which the appropriation was made shall have been accomplished or abandoned unless such appropriation has stood during the entire fiscal biennium without any expenditure therefrom or encumbrances thereon.

On October 16 of each year all allotments and encumbrances for the preceding fiscal year shall be cancelled unless an agency certifies to the commissioner that there is an encumbrance incurred pursuant to law for services rendered or goods ordered in the preceding fiscal year. The commissioner may reinstate that portion of the cancellation needed to meet the certified encumbrance or he may charge the certified encumbrance against the current year's appropriation.

Except as otherwise expressly provided by law, the provisions of this section shall apply to every appropriation of a stated sum for a specified purpose or purposes heretofore or hereafter made, but shall not, unless expressly so provided by law, apply to any fund or balance of a fund derived wholly or partly from special taxes, fees, earnings, fines, federal grants, or other sources which are by law appropriated for special purposes by standing, continuing, or revolving appropriations.

History: 1939 c 431 art 2 s 17; 1969 c 399 s 1; 1973 c 720 s 77; 1976 c 231 s 19 (53-18p)

16A.281 LEGISLATIVE APPROPRIATIONS.

Section 16A.28 is inapplicable to appropriations made to the legislature, the senate, the house of representatives or its committees or commissions. An appropriation made to the legislature, the senate, the house of representatives or their standing committees for a fiscal biennium or any part thereof shall be available for expenditure in either year of the biennium or for the fiscal year preceding or following the biennium. An appropriation made to a committee or commission of the legislature if unexpended during the first year of a fiscal biennium is available for expenditure during the second year thereof, but any unexpended balance remaining at the end of the biennium shall lapse and be returned to the fund from which appropriated.

History: 1978 c 793 s 49

16A.30 APPLICATIONS FOR NONSTATE FUNDS.

Subdivision 1. Every department or agency of the executive branch of state government shall, prior to the submission of any application for nonstate moneys, submit the original of the application to the commissioner of finance. The commissioner shall promptly return the application indicating his approval or disapproval. No application for nonstate moneys shall be submitted without the prior approval of the commissioner of finance. The commissioner of finance may promulgate rules, regulations, and directives to implement the provisions of this section.

Subd. 2. The provisions of this section shall not apply to the Minnesota historical society.

History: 1976 c 231 s 20

16A.35 FEDERAL GENERAL REVENUE SHARING FUNDS, TRANSFER TO GENERAL FUND.

Any moneys heretofore or hereafter received from federal general revenue sharing funds and any interest earned on such moneys shall be transferred to the general fund in order to comply with the United States Department of Treasury regulations that such federal general revenue sharing funds be appropriated and expended in the same manner as the state's own revenues. Upon transfer such federal general revenue sharing funds shall be appropriated and expended in the same manner as all other moneys in the general fund. Provided, however, that such federal general revenue sharing funds shall not be appropriated or considered to be appropriated to any local unit of government, including school districts, the university of Minnesota, or for any purpose that is contrary to the provisions of Public Law 92-512 or the regulations of the United States Department of the Treasury. The commissioner of finance shall make such transfers, and the sums so transferred are then a part of the general fund and available for appropriation and expenditure.

History: 1973 c 492 s 14; 1973 c 720 s 66

16A.36 GRANTS FROM UNITED STATES, USE.

All funds received by the state from the government of the United States as grants in aid for the financing of aid to dependent children, or for maternal and child health services, or for the care of crippled children, or for the care of neglected children and child welfare generally, or for vocational rehabilitation, or for the extension of public health services, or for any other public assistance or public welfare purpose shall be used solely for the purpose for which the grant was made. Any interest or income arising from the funds so granted shall be accredited by the state treasurer to the particular account for which the grant was

made and used solely for the purpose of that grant or repaid to the United States Treasury as the proper authorities or the government of the United States may require.

History: 1937 c 25 s 1; 1955 c 863 s 14; 1973 c 717 s 8 (53-18a)

16A.40 WARRANTS.

Warrants shall be drawn on printed blanks progressively numbered and for every warrant issued the number, amount, date, and name of payee shall be entered in progressive order in warrant registers kept by him for that purpose.

History: RL s 35; 1917 c 480 s 1; 1955 c 863 s 3 (67)

16A.41 CLAIMS AGAINST STATE.

Subdivision 1. When claims against the state for any purpose are made for which there is an appropriation available the official having authority over the appropriation from which the claim is to be paid shall cause the claim to be approved by certification thereon that the service was performed or the goods or material furnished. These claims shall be forwarded to the commissioner of finance accompanied by such transmittal form as he prescribes.

Subd. 2. The commissioner of finance may require any person making a claim against the state for any purpose to declare that the claim and the amount thereof is just and correct and that no part thereof has been paid. Such declaration if required by the commissioner of finance is sufficient if in the following form:

"I declare under the penalties of perjury that this claim is just and correct and that no part of it has been paid.

Signature of Claimant."

Subd. 3. The effect of this declaration shall be the same as if subscribed and sworn to under oath.

History: 1905 c 96 s 1; 1909 c 120 s 1; 1917 c 480 s 2; 1955 c 863 s 4; 1957 c 93 s 1; 1973 c 492 s 14 (68)

16A.42 PRESCRIBES FORM OF CLAIM.

The form of the claim is prescribed by the commissioner of finance. The warrant is completed and signed by the commissioner and the treasurer, upon approval of the claim by the commissioner, shall accept the warrant with his signature, making the warrant negotiable. The treasurer may confer authority upon one or more of his assistants to accept the warrant in his behalf. The warrant shall be entered in the warrant register the same as a cash payment.

History: 1905 c 96 s 1; 1909 c 120 s 2; 1909 c 169 s 1; 1917 c 480 s 3; 1955 c 863 s 5; 1973 c 492 s 14 (69)

16A.43 ENDORSEMENT OF WARRANT A RECEIPT.

The endorsement by the payee of the warrant constitutes a receipt in full for the claim therein.

History: 1905 c 96 s 2; 1909 c 120 s 3; 1917 c 480 s 4; 1955 c 863 s 6 (70)

16A.44 SUBPOENAS.

The commissioner of finance may issue subpoenas to any person who renders an account to the state in the nature of a bill for expenses for articles sold or purchased or involving any other transaction between the state and any person, corporation, or copartnership. He may place such individual under oath and

examine him as to the correctness of any account rendered. He may subpoena witnesses, administer oaths, and examine witnesses under oath in any transaction entered into between the state and any person, copartnership, or corporation.

History: 1917 c 498 s 2; 1955 c 863 s 7; 1973 c 492 s 14 (72)

16A.45 OUTSTANDING UNPAID WARRANTS, CANCELANATION.

At the beginning of each fiscal year the commissioner of finance and the state treasurer shall cancel upon their books all outstanding unpaid commissioner of finance's warrants that have been issued and delivered for more than six years prior to that date and credit to the general fund the respective amounts of the canceled warrants. When any canceled warrant is presented for payment it shall be taken up by the commissioner and a new warrant for the same amount, payable to the lawful holder thereof, but bearing a current number, shall be issued against the general fund from which the amount necessary to pay the new warrant is hereby appropriated.

History: 1923 c 288 s 1,2; 1955 c 863 s 8; 1969 c 399 s 1; 1973 c 492 s 14 (73)

16A.46 UNPAID WARRANT, ISSUANCE OF DUPLICATE.

When it is shown to the commissioner of finance by affidavit that any unpaid state warrant is lost or destroyed he may issue to the owner a duplicate thereof and thereupon the original is void. If it appears to the commissioner that any person may be damaged thereby, he may require from the applicant a bond of indemnity to the state in double the amount of the warrant, conditioned for the benefit of the person so damaged. The commissioner in his discretion may refuse to issue a duplicate of an unpaid state warrant. If he acts in good faith he is not liable, whether the application is granted or denied.

History: RL s 36; 1955 c 863 s 9; 1973 c 492 s 14 (74)

16A.47 RECORD OF ACCOUNTS AND DOCUMENTS.

The commissioner of finance shall enter and keep in his office, in suitable books, a record of all accounts and documents as are required by law to be returned to or filed with him. He shall file and preserve all receipts and other vouchers relating to his official business. He shall keep an account with the treasurer, charging him therein with all moneys paid into the treasury and crediting all warrants redeemed by him and returned. An account shall likewise be kept with each money appropriation made by the legislature, showing all disbursements made therefrom. He shall keep such other accounts as are necessary to exhibit the condition of the state finances from day to day.

History: RL s 37; 1955 c 863 s 10; 1973 c 492 s 14 (75)

16A.48 REFUNDS.

Subdivision 1. Money paid into the state treasury through error or under circumstances such that the state is not legally entitled to retain it, may be refunded upon the submission of a verified claim therefor. The claimant shall present his verified claim, together with a complete statement of facts and reasons for which the refund is claimed, to the head of the state agency concerned, who shall forthwith examine it, attach thereto his approval or disapproval thereof together with his reasons therefor, and submit the claim to the commissioner of finance for settlement in the manner provided by law.

Subd. 2. There is hereby appropriated to the persons entitled to such refund, from the fund in the state treasury to which the money was credited, an amount sufficient to make the refund and payment.

History: 1947 c 416 s 1,2; 1955 c 863 s 11; 1973 c 492 s 14

16A.49 REFUNDS, \$1 OR LESS.

Moneys in the state treasury shall not be used in making a refund where the amount thereof is \$1 or less except where the amount received by the state giving rise to the refund, is \$1 or less. Such refunds may be made in conformity with the requirements established by the commissioner of finance and may be in lieu of the conditions prescribed by section 16A.48, subdivision 1.

History: *Ex1967 c 48 s 69; 1973 c 492 s 4 subd 3*

16A.50 REPORT TO LEGISLATURE.

On or before November 15 of each year the commissioner of finance shall prepare and submit to the legislature and make available to the public a financial report covering the operations of all state funds during the preceding fiscal year. The report shall contain financial statements and disclosures which present the state's financial position and the fiscal results of state operations. This report shall be in conformity with generally accepted accounting principles.

History: *RL s 40; 1955 c 847 s 1; 1955 c 863 s 12; 1959 c 51 s 1; 1973 c 492 s 14; 1974 c 406 s 56; 1979 c 314 s 2 (79)*

16A.51 UNPAID DRAFTS.

Subdivision 1. Except as provided in subdivision 2, drafts issued by the commissioner of finance for claims due the state and delivered to the state treasurer for collection shall be paid within 30 days thereafter unless the claim is to be paid by a county and is for services rendered by the university of Minnesota hospitals in which case the claim shall be paid within 60 days of the date the bill is presented to the county board. If not paid within that period interest shall accrue and be collected upon the principal of the claims at the rate of eight percent per annum from the due date of the draft.

Subd. 2. The provisions of subdivision 1 do not apply to drafts issued for timber stumpage, gross earning taxes, or for amounts due for principal or interest upon state loans, or other claims due the state where the interest is now provided by law.

History: *1919 c 497 s 1; 1953 c 18 s 1; 1955 c 863 s 13; 1965 c 658 s 1; 1969 c 359 s 1; 1973 c 492 s 14 (80-1)*

16A.52 POLICY.

In order to simplify the accounting system of the state, to fully utilize modern methods of accounting, and to enable the general books of account of the state to reflect expenditures and revenues according to generally accepted practices in governmental accounting, it is desirable to modify and change the accounting system of the state in accordance with the provisions of sections 16A.53 to 16A.55.

History: *1959 c 30 s 1*

16A.53 BOOKKEEPING ACCOUNTS.

Whenever a provision of law now existing or hereafter enacted provides for creating a fund in the state treasury into which are deposited certain revenues and out of which certain expenditures are appropriated, the commissioner of finance may consider the creation of such fund as the creation of a bookkeeping account in the general books of account of the state so as to reflect the revenues deposited in the state treasury and credited to such account and the expenditures appropriated from the state treasury and charged to such account. This section is inapplicable to any fund created by the constitution or to any fund required to be created in the state treasury by the provisions of any federal law or a rule or regulation promulgated by a federal authority pursuant thereto.

History: *1959 c 30 s 2; 1973 c 492 s 14*

16A.54 GENERAL FUND DEFINED.

The term "general fund" appearing in any existing or hereafter enacted law relating to revenues deposited in or expenditures appropriated from the state treasury means such moneys as have been deposited in the state treasury for the usual, ordinary, running, and incidental expenses of the state government and does not include moneys deposited in the state treasury for a special or dedicated purpose.

History: 1959 c 30 s 3; 1969 c 399 s 2

16A.55 GROUPING OF BOOKKEEPING ACCOUNTS.

Subdivision 1. **Commissioner of finance's duty.** The commissioner of finance, in maintaining the general books of account and in reflecting all revenues deposited in the state treasury and expenditures appropriated therefrom, shall group the various bookkeeping accounts in accordance with generally accepted accounting principles.

Subd. 2. [Repealed, 1979 c 314 s 5]

Subd. 3. [Repealed, 1979 c 314 s 5]

Subd. 4. [Repealed, 1979 c 314 s 5]

Subd. 5. [Repealed, 1979 c 314 s 5]

Subd. 6. [Repealed, 1979 c 314 s 5]

Subd. 7. [Repealed, 1979 c 314 s 5]

Subd. 8. [Repealed, 1979 c 314 s 5]

Subd. 9. [Repealed, 1979 c 314 s 5]

History: 1959 c 30 s 4; 1973 c 492 s 14; 1979 c 314 s 3

16A.56 SPECIFIC DUTIES.

The commissioner of finance or his designated agents shall examine every receipt, account, bill, claim, refund, and demand against the state, and if a legal, correct, and proper claim, he shall approve the same, designate the account to be charged therefor, and issue his warrant in payment thereof in the manner provided by law. He shall approve all documents and reports showing evidences of payments into receipts by the state treasurer and shall designate the fund to be credited therewith.

History: 1939 c 431 art 3 s 2; 1955 c 863 s 16; 1973 c 492 s 14 (80-3)

16A.57 APPROPRIATION AND ALLOTMENT REQUIRED FOR EXPENDITURES.

Unless otherwise expressly provided by law, no money belonging to or for the uses of the state shall be expended or applied by any official, department, or agency of the state government or any institution under its control, except under authority of an appropriation by law and an allotment relating thereto as herein provided and upon warrant of the commissioner of finance.

History: 1939 c 431 art 3 s 3; 1955 c 863 s 17; 1973 c 492 s 14 (80-4)

16A.58 SUPERVISION OF ORIGINAL DOCUMENTS.

Except as otherwise provided by law, all original bills, claims, contracts, deeds, leases, demands, and vouchers on which money has been or may be paid by the state treasurer shall be kept in the office of the commissioner of finance and shall be under his supervision and control.

History: 1939 c 431 art 3 s 4; 1955 c 863 s 18; 1973 c 492 s 14 (80-5)

16A.59 QUARTERLY STATEMENTS.

At the end of every quarterly period and at the end of each fiscal year the commissioner of finance shall prepare and submit to the governor and make available to the public a summary statement showing all revenues and expenses for the period covered by the statement, including a comparison with the previous corresponding period. These statements shall be in sufficient detail as to appropriations and funds as to show the exact financial condition of the state and each department and agency thereof.

History: 1939 c 431 art 3 s 5; 1955 c 863 s 19; 1973 c 492 s 14 (80-6)

16A.60 COMMISSIONER OF FINANCE TO REIMBURSE GENERAL FUND.

The commissioner of finance, as authorized from time to time by law, shall transfer from the highway user tax distribution fund to the general fund money to reimburse the general fund for the costs of collecting the taxes provided for in Article 14 of the Constitution of the State of Minnesota.

History: 1959 c 403 s 1; 1973 c 492 s 14; 1976 c 2 s 172; 1978 c 793 s 50

16A.61 TRANSFER OF MONEYS TO GENERAL FUND.

The commissioner of finance is hereby authorized and directed to transfer to the general fund in the state treasury, all moneys credited to any fund established in connection with the payment of certificates of indebtedness when the purposes for which the act authorizing such certificates have been accomplished.

History: Ex1961 c 88 s 57; 1969 c 399 s 3; Ex1971 c 3 s 56; 1973 c 492 s 14

16A.62 SPECIAL FUNDS OR ACCOUNTS, TRANSFER.

Moneys deposited in the state treasury or on deposit on June 30 of each year from tax sources or otherwise to the credit of a special fund or account which is abolished by law shall be transferred to and credited to the general fund.

History: Ex1967 c 48 s 97; 1969 c 399 s 4

16A.63 MINNESOTA STATE BUILDING FUND.

Subdivision 1. Creation; use. For the purpose of providing money to state agencies for the acquisition and betterment of public lands and other public improvements of a capital nature, the Minnesota state building fund is created as a separate bookkeeping account in the general books of account of the state. Proceeds of state bonds credited to this fund are appropriated for construction and other permanent improvement and shall be available until the purposes for which the appropriation was made have been accomplished or abandoned. None of such moneys shall be canceled. When the purpose of any such appropriation has been accomplished or abandoned, the authority to whom the appropriation was made shall so certify to the commissioner of finance. Thereupon the unexpended balance of such appropriation, unless transferred under authority of the appropriation act to another purpose therein designated, shall be transferred and credited to the state bond fund. Amounts so transferred and credited are appropriated for the purpose of reducing the amount of tax otherwise required to be levied for the state bond fund by Article XI, Section 7 of the Constitution.

Subd. 2. Temporary financing. In anticipation of the receipt of proceeds of state bonds, the commissioner of finance may transfer amounts not in excess of the anticipated proceeds from the general fund to the Minnesota state building fund or other state fund to which the proceeds are appropriated. Upon receipt of the state bond proceeds in anticipation of which a general fund transfer has been

made, the commissioner of finance shall transfer to the general fund from the fund to which the proceeds were appropriated an amount equal to the sum originally transferred from the general fund. There are annually appropriated to the commissioner of finance from the general fund and from the proceeds of the bonds sums sufficient to effect the transfers authorized by this subdivision.

History: *Ex1967 c 8 s 20; 1973 c 492 s 14; 1976 c 2 s 172; 3Sp1981 c 2 art 7 s 1; 1982 c 639 s 26*

16A.64 MINNESOTA STATE BUILDING BONDS.

Subdivision 1. For the purpose of providing money appropriated to state agencies from the Minnesota state building fund for the acquisition and betterment of public lands and buildings and other public improvements of a capital nature, when authorized by law, the commissioner of finance shall issue and sell bonds of the state of Minnesota for the prompt and full payment of which, with interest thereon, the full faith, credit, and taxing powers of the state are irrevocably pledged. The proceeds of such bonds shall be credited to said state building fund, except that accrued interest and any premium received on sale of the bonds shall be credited to the state bond fund created by the Constitution, Article XI, Section 7.

Subd. 2. The bonds shall be issued and sold upon sealed bids upon such notice, at such times, in such form and denominations, bearing interest at such rate or rates, maturing on such dates, either without option of prior payment or subject to prepayment upon such notice and at such times and prices, payable at such bank or banks, within or without the state, with such provisions for registration, conversion, and exchange and for the issuance of notes in anticipation of the sale and delivery of definitive bonds, and in accordance with such further regulations, as the commissioner of finance shall determine, subject to the approval of the attorney general (but not subject to the provisions of sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62). Each bond shall mature within 20 years from its date of issue, shall be sold at not less than par plus accrued interest, and shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The signature of one of these officers on the face of any bond, and their seals, and the signature of both officers on the interest coupons appurtenant to any bond, may be printed, lithographed, stamped, or engraved thereon.

Subd. 3. The commissioner of finance shall ascertain and certify to the purchasers of the bonds the performance and existence of all acts, conditions, and things necessary to make them valid and binding general obligations of the state of Minnesota in accordance with their terms, subject to the approval of the attorney general. Any act directing the issuance of bonds pursuant to this section shall, together with this section, constitute complete authority for such issue, and such bonds shall not be subject to the restrictions or limitations contained in any other law.

Subd. 4. All expenses incidental to the sale, printing, execution, and delivery of bonds pursuant to this section, including, but not limited to, actual and necessary travel and subsistence expenses of state officers and employees for such purposes, shall be paid from the Minnesota state building fund, and the amounts necessary therefor are appropriated from said fund; provided that if any amount is specifically appropriated for this purpose in an act authorizing the issuance of bonds pursuant to this section, such expenses shall be first paid to the extent possible from the amount so appropriated.

Subd. 5. The commissioner of finance shall maintain in the state bond fund a separate bookkeeping account which shall be designated as the Minnesota state building bond account. The legislature may appropriate to this account, for the

payment of Minnesota state building bonds and interest thereon, any moneys in the state treasury not otherwise appropriated. On the first day of November of each year there shall be transferred to the Minnesota state building bond account all of the moneys then available under any such appropriation or such lesser sum as will be sufficient, with all money previously transferred to said account, and all income from the investment of such money, to pay all principal and interest then and theretofore due and all principal and interest to become due within the next ensuing year and to and including July 1 in the second ensuing year on Minnesota state building bonds. All moneys so transferred and all income from the investment thereof shall be available for the payment of such bonds and interest thereon, and so much thereof as may be necessary is appropriated for such payments. The commissioner of finance and the state treasurer are directed to make the appropriate entries in the accounts of the respective funds.

Subd. 6. The state auditor shall levy each year on all taxable property within the state whatever tax may be necessary to produce an amount sufficient, with all money then and theretofore transferred under subdivision 5, and all income from the investment thereof, to pay the entire amount of principal and interest which is then due or is to become due within the then ensuing year and to and including July 1 of the second ensuing year on Minnesota state building bonds. Such tax shall be levied upon all real property used for the purposes of a homestead, as well as other taxable property, notwithstanding the provisions of section 273.13, subdivisions 6 and 7. Such tax shall be subject to no limitation of rate or amount until all such bonds and interest thereon are fully paid. The proceeds of such taxes are appropriated and credited to the state bond fund, and the principal and interest of said bonds are payable from the proceeds of such taxes, and the whole thereof, or so much thereof as may be necessary, is appropriated for such payments. If at any time there is insufficient money from the proceeds of the taxes provided for herein to pay the principal and interest when due on such bonds, then such principal and interest shall be paid out of the general fund in the state treasury, and the amount necessary therefor is hereby appropriated. The general fund shall be reimbursed from the proceeds of said taxes when received.

History: *Ex1967 c 8 s 21; 1969 c 399 s 1; 1973 c 492 s 14; 1976 c 2 s 172; 1982 c 424 s 130; 1982 c 639 s 27*

16A.65 STATE BOND FUND; APPROPRIATIONS.

Subdivision 1. In order to reduce the amount of taxes otherwise required to be levied, there is hereby appropriated annually to the state bond fund from the general fund in the state treasury such sums of money sufficient in amount when added to the balance on hand in the state bond fund to pay all principal and interest on state bonds issued for the purposes set forth in subdivision 2, due and to become due within the then ensuing year and including July 1 in the second ensuing year. The moneys received and on hand pursuant to the appropriation annually made by this subdivision are available in the state bond fund prior to the levy of the tax in any year required by the Constitution, Article XI, Section 7, and shall be used to reduce the amount of the tax otherwise required to be levied.

Subd. 2. The state bonds referred to in subdivision 1 are those issued pursuant to the Constitution, Article XI, Section 5, to provide funds for the acquisition and betterment of public land and buildings and other public improvements of a capital nature or for refunding certificates of indebtedness authorized by the legislature prior to January 1, 1963.

Subd. 3. In order to reduce the amount of taxes otherwise required to be levied, there is appropriated annually to the Minnesota state building fund from the general fund in the state treasury such sums of money sufficient in amount

when added to the balance on hand in such state building fund to pay all principal and interest on certificates of indebtedness issued for the purpose of providing for the state building funds created prior to January 1, 1963, due and to become due within the ensuing year including July 1 in the second ensuing year. The moneys received and on hand pursuant to the appropriation annually made by this subdivision are available in the state building fund prior to the levy of the tax in any year required by the terms of the certificates of indebtedness and shall be used to reduce the amount of tax otherwise required to be levied for the payment of principal and interest on certificates of indebtedness. The moneys in the state building fund are appropriated annually for the purpose of paying the principal and interest on certificates of indebtedness as herein set forth. When all of the outstanding certificates of indebtedness issued as authorized by the legislature prior to January 1, 1963 have been fully paid including the interest thereon, any balances remaining in the state building fund are transferred and returned to the general fund.

Subd. 4. In the issuance of each series of state bonds authorized by law for any purpose the commissioner of finance shall endeavor to establish the maturities thereof in such manner that the sums anticipated to be received in the state bond fund on or before November 1 in each year of the then current biennium from the general fund and from all other sources except property taxes, pursuant to appropriation by any law, will be sufficient to provide for the payment of all state bonds and interest without the levy of a property tax on that date under the provisions of Article XI, Section 7 of the Constitution. In the issuance of each such series the commissioner of finance shall also endeavor to estimate whether the issuance thereof, with maturities and other provisions which the commissioner believes to be most advantageous to the state for the marketing of the bonds, is likely, except in the event of refunding of such series, to result in the requirement of a property tax levy in any subsequent year, having regard to the historical and projected receipts from nonproperty tax sources appropriated to the state bond fund. If in the commissioner's judgment such issuance is likely to cause a future property tax levy or refunding, he shall report this fact to the executive council, and the bonds shall not be issued and sold with the proposed maturities and other provisions unless approved by resolution of the executive council; but nothing herein shall impair or affect in any manner the validity or security of any bonds actually issued and sold under authority of any law, in the hands of the initial purchaser or any subsequent holder thereof, regardless of the date and amount of any maturity selected for any series of bonds, in a manner consistent with the law authorizing the issuance of such series.

History: *Ex1967 c 32 art 3 s 1; 1969 c 399 s 1,5,6; 1969 c 1047 s 1; 1973 c 492 s 14; 1976 c 2 s 172*

16A.66 MINNESOTA STATE REFUNDING BONDS.

Subdivision 1. For the purpose of refunding state bonds of any series heretofore or hereafter authorized the commissioner of finance may with approval by resolution of the executive council issue bonds of the state of Minnesota in a maximum amount equal to the outstanding principal amount of the bonds to be refunded, in the manner and upon the terms and conditions prescribed in this section and in the Constitution, Article XI, Section 7. For the prompt and full payment of all such refunding bonds and the interest thereon the full faith and credit and taxing powers of the state are irrevocably pledged. The proceeds of such bonds shall be credited to the state bond fund created by the Constitution, and within that fund to such separate bookkeeping account as shall have been created for the payment of the bonds to be refunded and the interest thereon.

Subd. 2. Unless otherwise expressly provided in the law authorizing the issuance of any series of bonds, such authorization shall include authorization to the commissioner to issue refunding bonds in a maximum principal amount equal

to the principal amount thereof outstanding at any time, for the purpose of refunding the same in the manner and upon the terms and conditions prescribed in this section. Any act directing the issuance of bonds for any purpose shall, together with this section, constitute complete authority for the issuance of bonds to refund the same, and such refunding bonds shall not be subject to the restrictions or limitations contained in any other law.

Subd. 3. Such refunding bonds shall be issued and sold upon sealed bids, or may be sold directly to the state board of investment without bids, or may be exchanged for bonds refunded by agreement with the holders thereof, and shall be prepared, executed, and delivered, and when issued shall be secured, in the same manner in all respects as provided by law and the Constitution for the bonds refunded thereby. The proceeds of the bonds may be deposited, invested, and applied to accomplish the refunding in the manner and upon the conditions provided in section 475.67, subdivisions 5 to 11. The interest rate on refunding bonds may exceed that on the bonds refunded when in the judgment of the commissioner and council refunding is nevertheless necessary or desirable for the purpose of extending the maturities and reducing the annual property tax or other funds needed to pay and secure the bonds and interest, in lieu of the revenues primarily appropriated for their payment.

Subd. 4. Such moneys as are required to carry out the purposes of this section are appropriated annually therefor.

Subd. 5. Prior to each sale of general obligation bonds, the commissioner of finance shall report to the chairmen of the house appropriations and senate finance committees, house and senate tax committees, and the minority leaders of the house and senate, the amount of bonding to be issued and a detailed list of the projects which are to be financed and shall receive their recommendations. These recommendations are advisory only; failure to reply within ten days is deemed a positive response.

History: 1969 c 1047 s 2; 1973 c 35 s 1; 1973 c 492 s 14; 1976 c 2 s 172; 1Sp1981 c 1 art 10 s 1

16A.67 [Repealed, 2Sp1981 c 1 s 7]

16A.671 CERTIFICATES OF INDEBTEDNESS.

Subdivision 1. **Authorization.** For the purpose of assuring that cash or cash equivalent assets will be available at all times during each biennium to pay all warrants drawn on the general fund pursuant to appropriations and allotments for expenditure for any purpose during that biennium, the governor may authorize the commissioner of finance to issue certificates of indebtedness in anticipation of the collection of taxes levied for and other revenues appropriated to the general fund, and to issue additional certificates to refund outstanding certificates or interest thereon, under the provisions of the constitution, article XI, section 6. Before certificates of indebtedness are sold and issued pursuant to any authorization, except for the purpose of refunding, the governor shall secure the recommendation of the legislative advisory commission as to the necessity thereof, the terms and conditions of the sale and issuance, and the maximum amount to be issued and outstanding under the authorization. When certificates of indebtedness are to be sold and issued pursuant to subdivision 5, clause (b) or (c), the governor shall secure a recommendation before the line of credit is established or the underwriting or placement agreement is entered into, but need not secure an additional recommendation for each issuance of certificates of indebtedness pursuant to that line of credit or agreement. The recommendation of the commission shall be advisory only. The failure of the commission to make a recommendation promptly is a negative recommendation. If there is no legislative advisory commission, the governor shall request an advisory recommendation from the executive council.

Subd. 2. **Definitions.** As used in this section, the following terms have the meanings given them:

(a) "Allotment" means a limitation placed by the commissioner of finance pursuant to law, upon the amount to be expended or encumbered during any period during a biennium pursuant to an appropriation.

(b) "Appropriation" means an authorization by law to expend or encumber an amount in the general fund during a biennium, including but not limited to:

(1) Direct appropriations;

(2) Open and standing appropriations;

(3) Appropriations of sums sufficient for stated purposes, the amounts of which shall be deemed to be as estimated by the commissioner of finance from time to time; and

(4) Appropriations of amounts to be paid or transferred in financial records from the general fund to any special or dedicated fund.

(c) "General fund" means all cash and investments from time to time received and held in the state treasury, except proceeds of state bonds and amounts received and held in special or dedicated funds created by the state constitution, or by or pursuant to federal laws or regulations thereunder, or by bond instruments, pension contracts, or other agreements of the state or its agencies with private persons, entered into pursuant to state law.

(d) "Maximum current cash flow requirement" means a written estimate by the commissioner of finance of the largest of the amounts by which, on a particular designated date in each month of the term for which certificates are to be issued, the sum of the warrants then outstanding against the general fund plus those that must be drawn thereon before the same date in the following month, in payment of claims due for expenditure pursuant to all appropriations and allotments, will exceed the amount of cash or cash equivalent assets held in the general fund on the first of these dates, excluding the proceeds of the certificates.

Subd. 3. **Limitations of amount.** The principal amount of certificates of indebtedness to be issued at any time shall not exceed the smallest of the following:

(a) An amount which, with interest thereon to maturity, added to the then outstanding amount of certificates, less the amount thereof, if any, which will be paid from the proceeds, and interest thereon to maturity, will equal the then unexpended balance of all money which will be credited to the general fund during the current biennium under existing laws, as estimated by the commissioner of finance; or

(b) The maximum current cash flow requirement.

Subd. 4. **Terms.** The commissioner of finance may establish by order in accordance with the provisions of this section, and not subject to the provisions of sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62, the principal amount of each series of certificates of indebtedness, the time or times and terms of sale, the denominations and form, whether registered or payable to bearer, with or without interest coupons, the interest rate or rates or the basis of computation of a variable rate, the maturity date or dates and amounts, the provisions, if any, for redemption at times and prices and upon notice specified, a place or places of payment which may be suitable financial institutions within or outside the state, any provisions for registration of ownership of principal, or both principal and interest, and for transfer and exchange, and any other terms the commissioner may determine with the approval of the attorney general. All certificates shall mature not later than the end of the biennium in which they are issued.

Subd. 5. **Sale.** Certificates of indebtedness may be sold by the commissioner of finance upon public advertisement for competitive bids, or:

(a) They may be sold to the state board of investment without advertisement for bids, upon terms at least as favorable as those on which, in the judgment of the board, direct obligations of the United States government of comparable maturities can at the time be purchased from funds under its control, including the special or dedicated funds described in clause (c) of subdivision 2, other than pension funds;

(b) The commissioner may negotiate with a suitable bank or banks within or outside the state for a line of credit whereby, for an agreed compensation, certificates of indebtedness may be issued from time to time within an agreed period, at a fixed or variable interest rate and subject to redemption at par plus accrued interest at any time at the option of the commissioner; or

(c) The commissioner may negotiate with a firm or firms of underwriters for the purchase of certificates of indebtedness or to act as an agent in the placement of certificates of indebtedness, which may be sold to investors at a specified discount representing the interest included in the face amount payable at maturity, or at a stated interest rate on a stated principal amount, payable on one or more dates. For the further security of the certificates of indebtedness the commissioner may negotiate a credit agreement pursuant to paragraph (b), providing for the payment thereof with interest to maturity, if necessary, by the issuance of new certificates of indebtedness to the bank or banks extending the credit.

Subd. 6. Execution. Certificates of indebtedness shall be executed by the signatures of the commissioner of finance and the state treasurer under their official seals, and any attached interest coupons by the signature of the commissioner. The signatures and seals may be printed, lithographed, photocopied, or stamped, except that at least one officer shall sign manually on the face of each certificate, unless the commissioner designates and the certificate on its face requires a suitable financial institution to authenticate the certificate by the manual signature of its authorized representative.

Subd. 6a. Fiscal agent bank. The commissioner may enter into an agreement with a suitable bank or banks located within or outside the state to authenticate, issue, pay principal and interest on, cancel or otherwise deal with certificates of indebtedness issued pursuant to this section, for an agreed compensation.

Subd. 7. Appropriation of proceeds. The proceeds of all certificates of indebtedness issued pursuant to this section are appropriated to the general fund, and shall be available for expenditure pursuant to any appropriation from that fund for any purpose, including those referred to in subdivision 8.

Subd. 8. Appropriation for payment and costs. The principal of and interest and premium, if any, on all certificates of indebtedness issued hereunder, and all expenses incidental to the sale, guaranty of sale, placement, printing, execution, authorization, registration, and delivery thereof, including but not limited to actual and necessary travel and subsistence expenses of state officers and employees, and costs arising from lines of credit obtained with respect to outstanding debt shall be paid from the general fund and shall be included in the computation of current cash flow requirements and of amounts available for allotment pursuant to appropriations, and the amounts necessary for these purposes are appropriated from the general fund. These appropriations are irrevocable and shall not be canceled. The commissioner of finance may enter into a covenant, on behalf of the state, for the security of the holders of certificates of indebtedness, for the segregation of cash and cash equivalent assets in a special account within the general fund for the payment of interest, principal, and premium, if any, in the amounts and at the times in advance of the due dates that the commissioner determines to be advisable for the state in marketing the certificates of indebtedness and to take action required under section 16A.15, subdivision 1, to enable the performance of the covenant.

Subd. 9. **Biennial cash deficiency.** If cash and cash equivalent amounts held in the general fund on the date on which any certificates of indebtedness come due, in excess of the amount of warrants then outstanding, are not sufficient to pay all such certificates of indebtedness and any interest due thereon, the deficiency may be paid by the issuance of refunding certificates of indebtedness maturing not later than December 1 in the ensuing calendar year. The commissioner, with the approval of the governor, may enter into a covenant on behalf of the state that such refunding certificates of indebtedness will be offered for sale in the event a deficiency is anticipated. If cash and cash equivalent amounts held in the general fund on December 1 immediately following the close of the biennium, in excess of warrants then outstanding, are not sufficient to pay all such refunding certificates of indebtedness and any other certificates of indebtedness outstanding at the end of the biennium and not refunded, with interest then accrued thereon, the state auditor shall levy upon all taxable property in the state a tax collectible in the ensuing calendar year sufficient to pay the same on or before December 1 in the ensuing year with interest to the date or dates of payment.

History: *2Sp1981 c 1 s 5; 3Sp1981 c 2 art 7 s 2-5; 1982 c 424 s 130; 1982 c 639 s 28; 1Sp1982 c 3 s 2,3*

16A.675 BONDS AND NOTES; NONLIABILITY OF INDIVIDUALS.

Neither the commissioner of finance nor any person executing state bonds or notes shall be liable personally on the bonds or notes or be subject to any personal liability or accountability by reason of the issuance of them.

History: *1977 c 410 s 7*

16A.68 FEDERAL ACCOUNTS, TRANSFERS.

The Pittman-Robertson revolving account in the state treasury is abolished on July 1, 1963, and any balances therein are transferred to the game and fish receipts account in the state treasury. Federal aid reimbursements received on and after July 1, 1963, and due the Pittman-Robertson account shall be deposited to the credit of the game and fish receipts account in the state treasury. The Dingell-Johnson revolving account in the state treasury is abolished on July 1, 1963, and any balances therein are transferred to the game and fish receipts account in the state treasury. Federal aid reimbursements received on and after July 1, 1963, and due the Dingell-Johnson account shall be deposited to the credit of the game and fish receipts account in the state treasury.

History: *Ex1967 c 48 s 74*

16A.69 TRANSFER OF APPROPRIATED FUNDS INTO SINGLE PROJECT ACCOUNT.

If moneys are appropriated during the same or different sessions of the legislature for the same or related projects which appropriations do not lapse until the purposes for which the appropriations were made shall have been accomplished or abandoned, the commissioner of finance shall, upon the certification of the commissioner of administration as to the accounts involved, make such transfers of appropriations as will place in one account all of the moneys appropriated for the same or related projects.

History: *1969 c 1155 s 11; 1973 c 492 s 14*

16A.70 TACONITE PROPERTY TAX RELIEF FUND; CREATION; FUNCTION.

A taconite property tax relief account in the apportionment fund in the state treasury is hereby created in the state treasury by the commissioner of finance. All funds made available from any sources to be deposited in the state treasury to

the credit of such account shall be deposited therein. All moneys to be paid from such account pursuant to the provisions of Laws 1969, Chapter 1156 or any other law are hereby appropriated annually from said account for the purpose for which payment is to be made.

History: 1969 c 1156 s 3; 1973 c 492 s 14

16A.71 TACONITE MUNICIPAL AID ACCOUNT; CREATION; FUNCTION.

A taconite municipal aid account in the apportionment fund of the state treasury is hereby created in the state treasury. All funds available to the credit of such account under section 298.28, subdivision 1, clause (2) shall be deposited therein. All moneys to be paid from such account pursuant to the provisions of sections 298.282 and 298.283 are hereby appropriated annually from said account for the purpose for which payment is to be made.

History: Ex1971 c 31 art 30 s 5; 1979 c 50 s 4

16A.72 INCOME PLACED IN GENERAL FUND.

All income, including fees or receipts of any nature whatsoever, shall be deposited in and for the benefit of the general fund, except that this shall not apply to federal aid, contributions, or reimbursements received for any account of any division or department for which an appropriation is made by law, or income to the university of Minnesota, or to revolving funds now established in institutions under the control of the commissioners of corrections or public welfare, or to receipts from the operation of patients' and inmates' stores and vending machines, which shall be deposited in the social welfare fund in each institution for the benefit of the patients and inmates, or to money received in payment for services of inmate labor employed in the industries carried on in the state correctional facility - St. Cloud, state correctional facility - Shakopee, and state correctional facility - Stillwater, which receipts shall be credited to the current expense fund of those institutions, or as provided in sections 16.78 and 85.22, or as otherwise provided by law.

History: Ex1971 c 3 s 54; 1976 c 163 s 3; 1979 c 102 s 13

16A.721 FEES FROM SEMINARS AND WORKSHOPS.

The commissioner of finance may adopt rules for charging fees for seminars and workshops conducted by state agencies. The commissioner may establish an account for deposit of seminar and workshop fee receipts generated, which are appropriated for payment of expenses relating to the workshops and seminars. The commissioner shall not allow the unobligated balance of this account to exceed \$10,000.

History: 1978 c 793 s 52; 1980 c 614 s 59

16A.73 STATE AIR TRAVEL ACCOUNT.

The commissioner of finance may contract with any airline company regularly engaged in carrying passengers on scheduled flights in interstate commerce for the establishment of an air travel account for the state, subject to terms and conditions as may be necessary and proper to facilitate air travel by officers and employees of the state, and may deposit in the account not more than \$500.

History: 1977 c 410 s 8

16A.75 [Repealed, 1981 c 356 s 377]

16A.751 [Repealed, 1981 c 356 s 377]

16A.752 [Repealed, 1981 c 356 s 377]

16A.753 [Repealed, 1981 c 356 s 377]

16A.754 [Repealed, 1981 c 356 s 377]