

CHAPTER 16A

DEPARTMENT OF FINANCE

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16A.125 STATE FOREST TRUST LANDS; FUNDS.

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 forest lands under the authority of the commissioner as defined by section 89.001, subdivision 13.

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.

[For text of subd 6, see M.S.1982]

History: 1983 c 301 s 88

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 all departments and agencies which are attributable to the provision of services to any other state agency; except as prohibited by federal law, "statewide indirect costs" include all operating costs incurred by the legislative and judicial branches of state government;

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

[For text of subs 2 to 6, see M.S.1982]

Subd. 7. **Legislative auditor.** Unless otherwise specified by law, a state agency whose financial affairs are audited by the legislative auditor, and whose funds are not administered by the state treasurer, 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: 1983 c 301 s 89.90

16A.128 FEE ADJUSTMENTS.

Subdivision 1. **Approval required; amounts.** The fees fixed for the various accounts for which appropriations are made by law may not be increased or decreased except with the approval of the commissioner of finance. If the fee or fee adjustment is required by law to be fixed by rule, the approval by the commissioner must be included in the statement of need and reasonableness. All these fees must be reviewed at least once each six months, and, except in special fee situations as determined by the commissioner, adjustments must be made to the end that the total fees received must 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.

Subd. 2. **Procedure.** Fees that are based on actual direct costs of a service, are one-time in nature, are not significant in terms of revenue as in the case of minor copying fees, are only billed within or between state agencies, or are specifically exempted by law from approval by the commissioner of finance, need not be set by rule unless specifically required by law. All other fees not set by law must be set by rule. Fee adjustments authorized under this section may be made pursuant to the procedure for noncontroversial rules in sections 14.21 to 14.28, but without a public hearing, which the notice of intention to adopt the rules must state, 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. This exemption from the public hearing requirements of the Administrative Procedure Act does not apply to

adjustments of fees expended pursuant to open appropriations of dedicated receipts.

History: 1983 c 301 s 91

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 consultation with the legislative advisory commission created by section 3.30, transfer from the budget reserve account established in subdivision 6 to the general fund the amount necessary to balance revenue and expenditures. Any additional deficit shall, with the approval of the governor and after consultation with the legislative advisory commission, be made up by reducing allotments.

In reducing allotments, the commissioner of finance may consider other sources of revenue available to recipients of state appropriations and apply allotment reductions based on all sources of revenue available.

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.

[For text of subs 2 to 5, see M.S.1982]

Subd. 6. **Budget reserve account.** The commissioner of finance on July 1, 1983 shall transfer \$250,000,000 to a budget reserve account in the general fund in the state treasury.

Subd. 7. **Delay in payment; reduction.** The commissioner of finance may delay payment of an amount up to 15 percent of an appropriation due to a special taxing district or a system of higher education in that entity's fiscal year for up to 60 days after the start of its next fiscal year. The amount delayed is subject to allotment reduction under section 16A.15, subdivision 1.

History: 1983 c 342 art 18 s 1-3

16A.153 [Repealed, 1983 c 342 art 18 s 4]

16A.16 [Repealed, 1983 c 299 s 36]

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 credited 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 if the proper authorities or the government of the United States so require, or otherwise shall be credited to the general fund.

History: 1983 c 301 s 92

16A.50 REPORT TO LEGISLATURE.

On or before December 31 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: 1983 c 301 s 93

16A.64 MINNESOTA STATE BUILDING BONDS.

[For text of subd 1, see M.S.1982]

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 provisions, 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 and shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The signatures of these officers on the face of any bond and on the interest coupons appurtenant to it, and their seals, may be printed, lithographed, stamped, engraved, or otherwise reproduced thereon. Each bond shall be authenticated by the manual signature on its face of one of the officers or a person authorized to sign on behalf of a bank or trust company designated by the commissioner to act as registrar or other authenticating agent.

[For text of subd 3, see M.S.1982]

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.

[For text of subds 5 and 6, see M.S.1982]

History: 1983 c 301 s 94,95

16A.66 MINNESOTA STATE REFUNDING BONDS.

Subdivision 1. For the purpose of refunding state bonds of any series heretofore or hereafter authorized, including interest on them, the commissioner of finance may with approval by resolution of the executive council issue bonds of the state of Minnesota 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, and shall be credited only against the tax otherwise required by the Constitution to be levied with respect to the refunded bonds.

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 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 10. 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 amount of the property tax or other funds needed to pay and secure the bonds and interest.

[For text of subds 4 and 5, see M.S.1982]

History: 1983 c 301 s 96-98

16A.672 BONDS AND CERTIFICATES OF INDEBTEDNESS.

Subdivision 1. **General.** Notwithstanding any contrary provision of other law, the commissioner of finance and the state treasurer shall have the powers specified in this section with respect to the issuance, form, execution, delivery, registration of transfer and exchange, and payment of bonds and certificates of indebtedness heretofore or hereafter authorized to be issued or issued by the state.

Subd. 2. **Form of obligations.** The bonds or certificates of indebtedness may be issued in bearer form with interest coupons attached, with or without provision for registration as to principal only, or in fully registered form, in one or more denominations, and with provisions for conversion of form, exchange of denominations, and transfer of ownership as prescribed by the commissioner of finance. All bonds and certificates of indebtedness, when issued according to orders of the commissioner of finance, shall be securities within the meaning of sections 336.8-101 to 336.8-408, and the commissioner of finance and the state treasurer may do on behalf of the state all acts and things which are permitted or required of issuers of securities under sections 336.8-101 to 336.8-408 and are consistent with the orders. The bonds or certificates of indebtedness may be printed, lithographed, or otherwise reproduced in the style and form the commissioner prescribes, but the form shall state in a general way the purpose for which they are issued and the security provided for their payment.

Subd. 3. **Execution of obligations.** The bonds and certificates of indebtedness shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. Facsimile signatures and seals of either or both of these officers may, as the commissioner of finance deems appropriate, be printed, lithographed, stamped, engraved, or otherwise reproduced. Every bond

and certificate issued, whether initially or upon transfer, exchange, or replacement, shall be manually signed on its face by one of these officers, or by a duly authorized representative of a bank or trust company designated by order of the commissioner of finance, whether at or after the time of initial issue, as registrar or otherwise as agent of the state to authenticate it.

Subd. 4. **Delivery of obligations.** The commissioner of finance may appoint a bank or trust company within or outside the state to act as delivery agent on behalf of the state, and to deliver the bonds or certificates of indebtedness to the initial purchaser upon payment therefor.

Subd. 5. **Registrar.** The commissioner of finance, in the order for the issuance of any bonds or certificates of indebtedness, may designate a corporate registrar to perform on behalf of the state the duties of a registrar as set forth in sections 336.8-101 to 336.8-408, including but not limited to authentication and delivery upon initial issuance and upon registration of transfer, exchange, or conversion into another form. Any registrar shall be an incorporated bank or trust company, within or outside the state, authorized by the laws of the United States or of the state in which it is located to perform these duties.

Subd. 6. **Payment of obligations.** The order authorizing the issuance of any bonds or certificates of indebtedness may provide for the payment of principal and interest in the manner and by the means the commissioner deems necessary to ensure full and prompt payment when due, and may provide for the payment at the office of a bank or trust company within or outside the state. In the case of fully registered bonds or certificates of indebtedness, the order may provide that the interest coming due on any interest payment date shall be payable to the person or entity who is the registered owner on the bond or certificate register on a specified date preceding the interest payment date, by check, draft, or other transfer to the order of the registered owner.

Subd. 7. **Agreements.** The commissioner of finance may enter into agreements containing terms which are necessary or desirable to carry out the authority given him in this section, pursuant to applicable orders of the commissioner. The agreements may provide for the payment of compensation for services to be performed and expenses to be incurred on behalf of the state, and may provide for their payment from the proceeds of the bonds or certificates of indebtedness, or from other money appropriated to the commissioner of finance, or from charges to be imposed on the holders of bonds or certificates of indebtedness, or from a combination of these sources. As much of the proceeds of the bonds or certificates as necessary is appropriated for this purpose.

Subd. 8. **Appropriation.** There is appropriated annually to the commissioner of finance from the general fund in the state treasury an amount of money sufficient to pay when due all compensation and expenses due to registrars, delivery agents, and paying agents for state bonds and certificates of indebtedness under the terms of agreements entered into according to subdivision 7.

Subd. 9. **Approval by attorney general.** No agreement described in subdivision 7 shall become effective until it has been approved as to form and execution by the state attorney general or his designee.

Subd. 10. **Registration data private.** All information contained in any register maintained by the state treasurer or a corporate registrar with respect to the ownership of state bonds or certificates of indebtedness constitutes nonpublic data as defined in section 13.02, subdivision 9, or private data on individuals as defined in section 13.02, subdivision 12. The information is not public and is accessible only to the individual, corporation, or other entity which is the subject of it, except as disclosure (a) is necessary for the performance of the duties of the registrar, the

state commissioner of finance, the state treasurer, or the state legislative auditor, or (b) is requested by an authorized representative of the state commissioner of revenue or attorney general or of the commissioner of internal revenue of the United States for the purpose of ascertaining the application of any estate, inheritance, or other tax, or (c) is required under section 13.03, subdivision 4.

History: 1983 c 301 s 99

16A.80 OFFICE OF DEBT AND LOAN MANAGEMENT.

Subdivision 1. **Creation.** The office of debt and loan management is created in the department of finance. Administrative employees of the office shall have at least five years of experience in commercial lending or a related field. These employees shall receive compensation comparable to that received by employees with similar backgrounds in the private sector, but not greater than the commissioner or deputy commissioner of finance.

Subd. 2. **Duties.** Notwithstanding any law to the contrary, an agency of state government which is authorized (1) to make, participate in, or guarantee loans to private sector businesses, or (2) to invest directly or indirectly in a private sector business shall submit each loan, loan participation, loan guarantee, or investment proposal to the office of debt and loan management before making a commitment to make the loan, loan participation, loan guarantee, or investment. No loan, loan participation, loan guarantee, or investment covered by this section shall be made without the approval of the office of loan management. This section does not apply to the housing finance agency, the state board of investment, the iron range resources and rehabilitation board, the higher education coordinating board, the higher education facilities authority, or the energy and economic development authority.

Subd. 3. **Criteria.** In deciding whether to approve proposals submitted to it, the office of debt and loan management shall consider the likelihood of the state suffering financial loss as a result of the project, the magnitude of potential losses, and the intent of the legislation authorizing the loans, loan participation, loan guarantees, and investments.

Subd. 4. **Delegation.** The office of debt and loan management may delegate its approval responsibilities under this section to an agency which is authorized to make loans, loan participation agreements, loan guarantees, or investments involving private businesses if the office determines that the agency has the internal capability to make the judgments required by subdivision 3.

History: 1983 c 289 s 5