

473.13 BUDGET, FINANCIAL AID.

Subdivision 1. **Budget.** (a) On or before December 20 of each year, the council shall adopt a final budget covering its anticipated receipts and disbursements for the ensuing year and shall decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget. The budget shall state in detail the expenditures for each program to be undertaken, including the expenses for salaries, consultant services, overhead, travel, printing, and other items. The budget shall state in detail the capital expenditures of the council for the budget year, based on a five-year capital program adopted by the council and transmitted to the legislature. After adoption of the budget and no later than five working days after December 20, the council shall certify to the auditor of each metropolitan county the share of the tax to be levied within that county, which must be an amount bearing the same proportion to the total levy agreed on by the council as the net tax capacity of the county bears to the net tax capacity of the metropolitan area. The maximum amount of any levy made for the purpose of this chapter may not exceed the limits set by the statute authorizing the levy.

(b) Each even-numbered year the council shall prepare for its transit programs a financial plan for the succeeding three calendar years, in half-year segments. The financial plan must contain schedules of user charges and any changes in user charges planned or anticipated by the council during the period of the plan. The financial plan must contain a proposed request for state financial assistance for the succeeding biennium.

(c) In addition, the budget must show for each year:

(1) the estimated operating revenues from all sources including funds on hand at the beginning of the year, and estimated expenditures for costs of operation, administration, maintenance, and debt service;

(2) capital improvement funds estimated to be on hand at the beginning of the year and estimated to be received during the year from all sources and estimated cost of capital improvements to be paid out or expended during the year, all in such detail and form as the council may prescribe; and

(3) the estimated source and use of pass-through funds.

Subd. 1a. **Program evaluation.** The budget procedure of the council must include a substantive assessment and evaluation of the effectiveness of each significant program of the council, with, to the extent possible, quantitative information on the status, progress, costs, benefits, and effects of each program. An assessment of progress towards meeting transit goals for people with disabilities must be included, with required elements including, but not limited to:

(1) a description of proposed program enhancements;

(2) an assessment of progress;

(3) identification of the estimated total number of potential and actual riders who are disabled;

(4) an assessment of the level and type of service required to meet unmet ridership needs; and

(5) an analysis of costs and revenue options, including a calculation of the amounts of surplus or insufficient funds available for achieving paratransit needs.

The council shall transmit the evaluation to the legislature annually.

Subd. 1b. **Light rail transit operating costs.** If the council submits to the legislature or governor a budget that includes proposed operating assistance for one or more light rail transit lines operated by the

council, the budget must show the proposed operating assistance for each light rail transit line separately from all other transit operating assistance in that budget.

Subd. 1c. MS 2013 Supp [Repealed, 2014 c 271 art 3 s 22]

Subd. 2. **Levies.** The auditor of each metropolitan county shall add the amount of any levy made by the council within the limits imposed by this chapter to other tax levies imposed within the county for collection by the county treasurer with other taxes. When collected the county treasurer shall make settlement of the taxes with the council in the same manner as other taxes are distributed to political subdivisions. The levy authorized by this section is in addition to any other taxes levied within the county authorized by law.

Subd. 3. **Financial aid.** The council may accept financial aid from governmental units within the metropolitan area, from the state or federal government, and from private donors, if the conditions under which it is offered are not incompatible with the provisions of this chapter.

Subd. 4. **Accounts; audits.** The council shall keep an accurate account of its receipts and disbursements. Disbursements of council money must be made by check or by electronic funds transfer, signed or authorized by the chair or vice-chair of the council, and countersigned or authorized by its regional administrator or designee after whatever auditing and approval of the expenditure may be required by the council. The state auditor shall audit the books and accounts of the council once each year, or as often as funds and personnel of the state auditor permit. The council shall pay to the state the total cost and expenses of the examination, including the salaries paid to the auditors while actually engaged in making the examination. The general fund must be credited with all collections made for any examination.

Subd. 5. **Investing postretirement reserves.** The State Board of Investment, when requested by the council, notwithstanding chapter 118A, may invest any funds or assets that the council may hold as a reserve for the payment of potential and estimated postretirement benefits to employees of the council. The reserve of funds or assets by the council for potential and estimated postretirement benefits, and its investment by the State Board of Investment under this subdivision, does not constitute an irrevocable dedication of the funds or assets for such use.

Subd. 6. **Transportation financial review.** (a) Annually by January 15, the council must submit a financial review that details revenue and expenditures for the transportation components under the council's budget, as specified in paragraph (c). A financial review submitted under this paragraph must provide the information using state fiscal years.

(b) Annually by the earlier of the accounting close of a budget year or August 15, the council must submit a financial review update that provides the following for the most recent completed budget year: actual revenues; expenditures; transfers; reserves; balances; and a comparison between the budgeted and actual amounts. A financial review update under this paragraph must include the information specified in paragraph (d).

(c) At a minimum, a financial review must identify:

- (1) the actual revenues, expenditures, transfers, reserves, and balances in each of the previous four years;
- (2) budgeted and forecasted revenues, expenditures, transfers, reserves, and balances in the current year and each year within the state forecast period;
- (3) for the most recent completed year, a comparison between the budgeted and actual amounts under clause (1); and

(4) for the most recent completed year, fund balances for each replacement service provider under section 473.388.

(d) The information under paragraph (c), clauses (1) to (3), must include:

(1) a breakdown by each transportation funding source identified by the council, including but not limited to legislative appropriations; federal funds; fare collections; property tax; and sales tax, including sales tax used for active transportation under section 473.4465, subdivision 2, paragraph (a), clause (1);

(2) a breakdown by each transportation operating budget category established by the council, including but not limited to bus, light rail transit, commuter rail, planning, special transportation service under section 473.386, and assistance to replacement service providers under section 473.388; and

(3) data for operations, capital maintenance, and transit capital.

(e) A financial review under paragraph (a) or (b) must provide information or a methodology sufficient to establish a conversion between state fiscal years and budget years, summarize reserve policies, identify the methodology for cost allocation, and describe revenue assumptions and variables affecting the assumptions.

(f) The council must submit each financial review to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over transportation policy and finance and to the commissioner of management and budget.

History: 1986 c 460 s 7; 1Sp1986 c 3 art 2 s 29,30; 1988 c 675 s 1,2; 1988 c 719 art 5 s 84; 1989 c 329 art 13 s 20; 1989 c 335 art 4 s 90; 1993 c 375 art 7 s 15; 1994 c 416 art 1 s 51; 1994 c 628 art 3 s 40,41; 1995 c 236 s 4,5; 1997 c 7 art 1 s 149; 1Sp2001 c 8 art 2 s 69; 1Sp2001 c 10 art 2 s 79; 1Sp2003 c 16 s 3; 2004 c 140 s 1; 2004 c 175 s 1; 2008 c 350 art 1 s 84; 2009 c 88 art 3 s 9; 2024 c 127 art 3 s 105