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State of Minnesota
HOUSE OF REPRESENTATIVES
NINETIETH SESSION

H. F. No. 2499

03/23/2017 Authored by Lueck
The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy and Finance

1.1 A bill for an act
1.2 relating to permanent school fund; appropriating money based on general fund
1.3 forecast to compensate permanent school fund for certain lands; amending
1.4 Minnesota Statutes 2016, section 16A.152, subdivisions 1b, 2.

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

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

1.7 Subd. 1b. **Budget reserve level.** (a) The commissioner of management and budget shall
1.8 calculate the budget reserve level by multiplying the current biennium's general fund
1.9 nondedicated revenues and the most recent budget reserve percentage under subdivision 8.

1.10 (b) If, on the basis of a November forecast of general fund revenues and expenditures,
1.11 the commissioner of management and budget determines that there will be a positive
1.12 unrestricted general fund balance at the close of the biennium and that the provisions of
1.13 subdivision 2, clauses (1), ~~(2)~~, ~~(3)~~, ~~(4)~~, to (5), ~~and (6)~~ are satisfied, the commissioner shall
1.14 transfer to the budget reserve account in the general fund the amount necessary to increase
1.15 the budget reserve to the budget reserve level determined under paragraph (a). The amount
1.16 of the transfer authorized in this paragraph shall not exceed 33 percent of the positive
1.17 unrestricted general fund balance determined in the forecast.

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

1.19 Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund
1.20 revenues and expenditures, the commissioner of management and budget determines that
1.21 there will be a positive unrestricted budgetary general fund balance at the close of the

2.1 biennium, the commissioner of management and budget must allocate money to the following
2.2 accounts and purposes in priority order:

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

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

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

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

2.14 (5) the amount necessary, as determined by the commissioner of natural resources and
2.15 the school trust lands director, to compensate the permanent school fund by condemnation
2.16 of school trust lands, as provided in section 92.83, for all school trust lands designated as
2.17 peatland scientific and natural areas under section 84.036 and 500 acres of school trust land
2.18 with old growth forest designation, and to compensate the permanent school fund through
2.19 a forest management lease, as provided in section 89.17, with the lease value being equal
2.20 to the net present value of the standing timber value on 17,300 acres of school trust land
2.21 with old growth forest designation.

2.22 (b) The amounts necessary to meet the requirements of this section are appropriated
2.23 from the general fund within two weeks after the forecast is released or, in the case of
2.24 transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations
2.25 schedules otherwise established in statute. The amount necessary to meet the requirements
2.26 under paragraph (a), clause (5), is appropriated from the general fund to the commissioner
2.27 of natural resources within two weeks after the forecast is released.

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