

**Governor's 2010 Supplemental Budget Recommendations**

**All Funds by Omnibus Bill and Agency**

(\$ in Thousands)

FY 2010    FY 2011    FY 2012    FY 2013

**Environment, Energy & Natural Resources**

**Commerce Dept**

**Notice Filing Fee**

|         |                   |   |     |     |     |
|---------|-------------------|---|-----|-----|-----|
| General | Non-Dedic Receipt | 0 | 100 | 100 | 100 |
|---------|-------------------|---|-----|-----|-----|

This item eliminates current law exemptions from the notice filings for Rule 506 offerings and restores the scope of the notice filing requirement that existed before enactment of the most recent version of the Uniform Securities Act in 2007. The previous filing requirement was repealed in 2007, along with all other existing securities laws, when the legislature enacted the most recent version of the Uniform Securities Act. These filings assist Commerce with their anti-fraud activities.

**Retroactive Continuing Education**

|         |                   |      |      |      |      |
|---------|-------------------|------|------|------|------|
| General | Non-Dedic Receipt | (11) | (11) | (11) | (11) |
|---------|-------------------|------|------|------|------|

This proposal eliminates the continuing education course approval application process for licensees who are retroactively requesting approval. Commerce receives roughly 1,100 of these applications a year and requires a \$10 application fee.

**Unallotment Ratification**

**Operating Budget Reduction**

|         |             |   |   |       |       |
|---------|-------------|---|---|-------|-------|
| General | Expenditure | 0 | 0 | (247) | (247) |
|---------|-------------|---|---|-------|-------|

This proposal extends the Governor's FY 2011 unallotment plan to FY 2012 and FY 2013. Of the reduction amount each year, \$97,000 is from administrative services and \$150,000 is from market assurance.

**Commerce Dept Total Net Change:**

|                |                |                |              |              |
|----------------|----------------|----------------|--------------|--------------|
| <b>General</b> | <b>(1,587)</b> | <b>(1,534)</b> | <b>(658)</b> | <b>(658)</b> |
| <b>Other</b>   | <b>0</b>       | <b>0</b>       | <b>0</b>     | <b>0</b>     |

**Commerce Dept Total Net Change:**

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##### Operating Budget Reduction

|                                |              |       |       |       |       |
|--------------------------------|--------------|-------|-------|-------|-------|
| General                        | Expenditure  | (190) | (322) | (322) | (322) |
| General                        | Transfer In  | 1,111 | 325   | 0     | 0     |
| Petroleum Tank Release Cleanup | Expenditure  | (569) | (32)  | 0     | 0     |
| Petroleum Tank Release Cleanup | Transfer Out | 569   | 32    | 0     | 0     |
| Special Revenue                | Expenditure  | (542) | (293) | 0     | 0     |
| Special Revenue                | Transfer Out | 542   | 293   | 0     | 0     |

This proposal reduces the general fund operating budget for the administrative services and market assurance programs by \$190,000 in FY 2010 and \$322,000 in FY 2011. The reductions for these programs are approximately 3 percent. To meet these reduction amounts, Commerce will continue to hold vacant positions open and reach the targets from salary savings. These reductions affect the agency's FY 2012-13 base budget. This proposal also reduces Commerce's non-general fund operating budgets by approximately 3 percent in FY 2010-11. The savings generated by the reductions are transferred to the general fund. To meet these reduction amounts, Commerce would hold vacant positions open and reduce operating budgets in a variety of areas including, but not limited to, the petroleum tank clean-up program, telecommunication access Minnesota program, auto theft prevention program, insurance fraud prevention, and renewable energy assistance. These reductions amounts and transfers to the general fund are one-time.

##### Program and Grant Reduction

|                 |              |       |       |   |   |
|-----------------|--------------|-------|-------|---|---|
| General         | Transfer In  | 697   | 398   | 0 | 0 |
| Special Revenue | Expenditure  | (697) | (398) | 0 | 0 |
| Special Revenue | Transfer Out | 697   | 398   | 0 | 0 |

This item reduces Commerce's non-general fund program and grant budgets by approximately 6 percent in FY 2010-11. To meet these reductions amounts, Commerce will modify grant contracts in both FY 2010 and FY 2011. The savings amount generated by the reductions will be transferred to the general fund. The majority of these grant reductions are in the renewable energy area. These reductions are one-time and do not impact the Commerces' FY 2012-13 base.

##### Federal Licensing System Access

|         |                   |     |     |   |   |
|---------|-------------------|-----|-----|---|---|
| General | Expenditure       | 400 | 0   | 0 | 0 |
| General | Non-Dedic Receipt | 0   | 400 | 0 | 0 |

The federal Secure and Fair Enforcement for Mortgage Licensing Act (SAFE Act) requires Commerce to access the newly created national mortgage licensing system (NMLS). The \$400,000 will be recovered through an assessment of roughly \$600 to \$700 on institutions licensed under Minnesota Statutes Chapter 58 in 2009.