

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 2446

DATE: April 15, 2004

Version: First Engrossment

Authors: Knoblach and others

Subject: State budget, funds and accounts

Analyst: Kathy Novak (651-296-9253)

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

Overview

This bill provides for the management and organization of accounts and funds created in law, authorizes the elimination of small, unnecessary accounts, and makes technical and clarifying changes to the state budget process.

Section

Article 1

Special Revenue Accounts

- 1 Funds and accounts.** References "accounts" as well as "funds" created by law, in the section of law authorizing the commissioner of finance to regard these as "bookkeeping accounts." Requires the commissioner to organize these bookkeeping accounts into funds in accordance with generally accepted accounting principles.
- 2 Commissioner to manage funds and accounts.** Authorizes the commissioner of finance to eliminate an account that is no longer needed for the purposes specified in law. Requires the commissioner to eliminate certain small accounts, unless the commissioner determines that the account is necessary for efficient fiscal operation. Provides that balances from eliminated accounts must be transferred to the general fund unless otherwise specified in law. Requires the commissioner to notify the legislature when an account established in law is eliminated.
- 3 Report.** Requires each agency that manages accounts within a fund to report to appropriate legislative committees at least annually on recent financial activity in those accounts.
- 4 Miscellaneous special revenue fund.** Creates a fund in the state treasury for the deposit of revenues that are not specifically deposited in any other fund. Provides for the termination of

Section

one-third of the accounts on the last day of the next three biennium. Requires the commissioner of finance to notify the appropriate legislative committees 30 months before the scheduled termination of an account. Transfers remaining account balances and revenues of terminated accounts to the general fund and cancels statutory appropriation from terminated accounts. These provisions only apply to accounts established before July 1, 2004.

Article 2

State Budget Process

- 1 1 Appropriations.** Technical changes include replacing *standing* appropriation with *statutory* appropriation.
- 2 Distribution; fiscal notes.** Technical change to replace the *Appropriation* committee with the *Ways and Means* committee. This change is also made in sections 3, and 7 to 19.
- 3 Obtaining recommendation; transfer of state lands.** Technical change to replace the *Appropriation* committee with the *Ways and Means* committee.
- 4 Governor's recommendation.** Eliminates the requirement for the governor's revenue target recommendations to include the mix of taxes and tax rates. Under current law, the governor must submit a recommended revenue target for two bienniums at time the budget is submitted to the legislature.
- 5 Legislative budget resolution.** Eliminates the requirement for the legislature's concurrent resolution on revenue targets to include the mix of taxes and tax rates.
- 6 Reporting information.** Requires the revenue forecast after the end of a legislative session to report updated information, if any, on the share of personal income collected in taxes and other revenues to pay for state and local government services.
- 7 to 19 Committee name changes.** Technical changes to replace the *Appropriation* committee with the *Ways and Means* committee. Section 19 also changes the name of the committee responsible for Health and Human Services Finance (from the subdivision of Appropriations).