

HOUSE RESEARCH

Bill Summary

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Overview

This bill requires cities and counties with a population over 5,000 population to place budget information organized by both function and expenditure type on the Web or in the newspaper. Function includes, for example, public works, general administration, parks and recreation. Expenditure types include, for example, salaries, benefits, supplies, capital costs, debt service.

- 1 Proposed levy (truth in taxation).** Requires cities and counties covered by section 3 of the bill to provide the county auditor with the information necessary to allow the public to access electronically the budget information required in section 3. Effective July 1, 2012.
- 2 Notice of proposed property taxes (truth in taxation).** Requires truth in taxation notices to provide information on how to access electronically the budget information required in section 3. Effective July 1, 2012.
- 3 Expenditure type reporting.**
 - Subd. 1. Purpose.** States the purpose is to facilitate public involvement in local government budgeting.
 - Subd. 2. Definitions.** Defines "municipality" as a statutory or home rule charter city or a county with a population over 5,000. Specifies how population is determined.
 - Subd. 3. Electronic budgetary information.** (a) Requires a municipality that maintains an official Web site to publish electronically by July 31 each year, four years of budget information by function and by expenditure type - the three most recently concluded budget years and the estimated data for the current budget. Requires the projected data for the proposed budget adopted on September 15 required under the Truth-in-Taxation law to include the overall projected budget increase, and where possible, an estimated breakdown of projected revenues and expenditures by function and expenditure type.
 - (b) Requires the budget information to include the municipality's general fund, debt service

fund, and special revenue funds, but not a special revenue fund used for acquisition and construction of major capital facilities, enterprise fund or fiduciary fund.

(c), (d) Requires the state auditor to establish the forms and reporting requirements. Requires the functions to be those in the current reports that municipalities make and lists expenditure types that must be included. Directs the state auditor to consult with the commissioner of management and budget, city and county representatives, and members of the governmental accounting community in developing the definition of expenditure types for reporting purposes.

Subd. 4. Alternative publication of budgetary information. Requires a municipality that does not maintain a Web site to either set one up for the budget reporting required in this bill or to publish the information in its official newspaper. If a county publishes in its official newspaper, it must also publish in one other if one of general circulation is located in a different city in the county than the official newspaper. Requires the state auditor to prescribe the notice forms.

Subd. 5. Penalties. Provides that a municipality that fails to provide the required information loses its state aids for roads, local police and salaried firefighters' relief association amortization state aid, and LGA.

Effective July 1, 2012.