

1.1 Senator moves to amend S.F. No. 1426 as follows:

1.2 Page 4, line 11, delete "14,963,000" and insert "14,965,000" and delete "14,252,000"
1.3 and insert "14,254,000"

1.4 Page 4, line 12, delete "\$14,266,000" and insert "\$14,268,000"

1.5 Page 4, line 13, delete "\$14,276,000" and insert "\$14,278,000"

1.6 Page 13, line 25, delete "2028" and insert "2027"

1.7 Page 22, after line 22, insert:

1.8 "Sec. 37. Minnesota Statutes 2022, section 6.91, subdivision 4, is amended to read:

1.9 Subd. 4. **Appropriation.** ~~(a)~~ The amount necessary to fund obligations under subdivision
1.10 2 is annually appropriated from the general fund to the commissioner of revenue.

1.11 ~~(b) The sum of \$6,000 in fiscal year 2011 and \$2,000 in each fiscal year thereafter is~~
1.12 ~~annually appropriated from the general fund to the state auditor to carry out the auditor's~~
1.13 ~~responsibilities under sections 6.90 to 6.91."~~

1.14 Page 25, after line 5, insert:

1.15 "Sec. 8. Minnesota Statutes 2022, section 3.98, subdivision 2, is amended to read:

1.16 Subd. 2. **Contents.** (a) The fiscal note, where possible, shall:

1.17 (1) cite the effect in dollar amounts;

1.18 (2) cite the statutory provisions affected;

1.19 (3) estimate the increase or decrease in revenues or expenditures;

1.20 (4) include the costs which may be absorbed without additional funds;

1.21 (5) include the assumptions used in determining the cost estimates; and

1.22 (6) specify any long-range implication.

1.23 (b) The fiscal note may comment on technical or mechanical defects in the bill but shall
1.24 express no opinions concerning the merits of the proposal.

1.25 (c) The fiscal note must assume the legal validity of the bill, but may comment on
1.26 potential litigation that may result from passage of the bill.

1.27 **EFFECTIVE DATE.** This section is effective the day following final enactment."

1.28 Page 62, after line 20, insert:

2.1 "EFFECTIVE DATE. This section is effective the day following final enactment."

2.2 Page 62, after line 22, insert:

2.3 "EFFECTIVE DATE. This section is effective the day following final enactment."

2.4 Page 67, after line 17, insert:

2.5 "Sec. 55. FINANCIAL REVIEW OF GRANT AND BUSINESS SUBSIDY

2.6 RECIPIENTS.

2.7 Subdivision 1. Definitions. (a) As used in this section, the following terms have the
2.8 meanings given.

2.9 (b) "Grant" means a grant or business subsidy funded by an appropriation in this act.

2.10 (c) "Grantee" means a business entity as defined in Minnesota Statutes, section 5.001.

2.11 Subd. 2. Financial information required; determination of ability to perform. Before
2.12 an agency awards a competitive, legislatively-named, single source, or sole source grant,
2.13 the agency must assess the risk that a grantee cannot or would not perform the required
2.14 duties. In making this assessment, the agency must review the following information:

2.15 (1) the grantee's history of performing duties similar to those required by the grant,
2.16 whether the size of the grant requires the grantee to perform services at a significantly
2.17 increased scale, and whether the size of the grant will require significant changes to the
2.18 operation of the grantee's organization;

2.19 (2) for a grantee that is a nonprofit organization, the grantee's Form 990 or Form 990-EZ
2.20 filed with the Internal Revenue Service in each of the prior three years. If the grantee has
2.21 not been in existence long enough or is not required to file Form 990 or Form 990-EZ, the
2.22 grantee must demonstrate to the grantor's satisfaction that the grantee is exempt and must
2.23 instead submit the grantee's most recent board-reviewed financial statements and
2.24 documentation of internal controls;

2.25 (3) for a for-profit business, three years of federal and state tax returns, current financial
2.26 statements, certification that the business is not under bankruptcy proceedings, and disclosure
2.27 of any liens on its assets. If a business has not been in business long enough to have three
2.28 years of tax returns, the grantee must demonstrate to the grantor's satisfaction that the grantee
2.29 has appropriate internal financial controls;

2.30 (4) evidence of registration and good standing with the secretary of state under Minnesota
2.31 Statutes, chapter 317A, or other applicable law;

3.1 (5) if the grantee's total annual revenue exceeds \$750,000, the grantee's most recent
3.2 financial audit performed by an independent third party in accordance with generally accepted
3.3 accounting principles; and

3.4 (6) certification, provided by the grantee, that none of its principals have been convicted
3.5 of a financial crime.

3.6 Subd. 3. **Additional measures for some grantees.** The agency may require additional
3.7 information and must provide enhanced oversight for grants that have not previously received
3.8 state or federal grants for similar amounts or similar duties and so have not yet demonstrated
3.9 the ability to perform the duties required under the grant on the scale required.

3.10 Subd. 4. **Assistance from administration.** An agency without adequate resources or
3.11 experience to perform obligations under this section may contract with the commissioner
3.12 of administration to perform the agency's duties under this section.

3.13 Subd. 5. **Agency authority to not award grant.** If an agency determines that there is
3.14 an appreciable risk that a grantee receiving a competitive, single source, or sole source grant
3.15 cannot or would not perform the required duties under the grant agreement, the agency must
3.16 notify the grantee and the commissioner of administration and give the grantee an opportunity
3.17 to respond to the agency's concerns. If the grantee does not satisfy the agency's concerns
3.18 within 45 days, the agency must not award the grant.

3.19 Subd. 6. **Legislatively-named grantees.** If an agency determines that there is an
3.20 appreciable risk that a grantee receiving a legislatively-named grant cannot or would not
3.21 perform the required duties under the grant agreement, the agency must notify the grantee,
3.22 the commissioner of administration, and the chair and ranking minority members of Ways
3.23 and Means Committee in the house of representatives, the chairs and ranking minority
3.24 members of the Finance Committee in the senate, and the chairs and ranking minority
3.25 members of the committees in the house of representatives and the senate with primary
3.26 jurisdiction over the bill in which the money for the grant was appropriated. The agency
3.27 must give the grantee an opportunity to respond to the agency's concerns. If the grantee
3.28 does not satisfy the agency's concerns within 45 days, the agency must delay award of the
3.29 grant until adjournment of the next regular or special legislative session.

3.30 Subd. 7. **Subgrants.** If a grantee will disburse the money received from the grant to
3.31 other organizations to perform duties required under the grant agreement, the agency must
3.32 be a party to agreements between the grantee and a subgrantee. Before entering agreements
3.33 for subgrants, the agency must perform the financial review required under this section with
3.34 respect to the subgrantees.

4.1 Subd. 8. **Effect.** The requirements of this section are in addition to other requirements
 4.2 imposed by law, the commissioner of administration under Minnesota Statutes, sections
 4.3 16B.97 to 16B.98, or agency grant policy."

4.4 Page 90, after line 29, insert:

4.5 **"ARTICLE 5**
 4.6 **MISCELLANEOUS FINANCE**

4.7 Section 1. Minnesota Statutes 2022, section 16A.011, is amended by adding a subdivision
 4.8 to read:

4.9 Subd. 15a. **Transfer.** A "transfer" means the authorization to move state money from
 4.10 one fund, account, or agency to another fund, account, or agency within the state treasury.
 4.11 When authorized by law, a transfer must reduce money in one fund, account, or agency and
 4.12 increase the same amount to a separate fund, account, or agency.

4.13 Sec. 2. Minnesota Statutes 2022, section 16A.103, subdivision 1, is amended to read:

4.14 Subdivision 1. **State revenue and expenditures.** In February and November each year,
 4.15 the commissioner shall prepare a forecast of state revenue and expenditures. The November
 4.16 forecast must be delivered to the legislature and governor no later than ~~the end of the first~~
 4.17 ~~week of~~ December 6. The February forecast must be delivered to the legislature and governor
 4.18 by the end of February. Forecasts must be delivered to the legislature and governor on the
 4.19 same day. If requested by the Legislative Commission on Planning and Fiscal Policy,
 4.20 delivery to the legislature must include a presentation to the commission.

4.21 Sec. 3. Minnesota Statutes 2022, section 16A.103, subdivision 1b, as amended by Laws
 4.22 2023, chapter 10, section 2, is amended to read:

4.23 Subd. 1b. **Forecast variable.** In determining the rate of inflation, the application of
 4.24 inflation, the amount of state bonding as it affects debt service, the calculation of investment
 4.25 income, and the other variables to be included in the expenditure part of the forecast, the
 4.26 commissioner must consult with the chairs and lead minority members of the senate ~~State~~
 4.27 ~~Government~~ Finance Committee and the house of representatives Ways and Means
 4.28 Committee, and legislative fiscal staff. This consultation must occur at least three weeks
 4.29 before the forecast is to be released. No later than two weeks prior to the release of the
 4.30 forecast, the commissioner must inform the chairs and lead minority members of the senate
 4.31 ~~State Government~~ Finance Committee and the house of representatives Ways and Means

5.1 Committee, and legislative fiscal staff of any changes in these variables from the previous
5.2 forecast.

5.3 Sec. 4. Minnesota Statutes 2022, section 16A.103, is amended by adding a subdivision to
5.4 read:

5.5 Subd. 1i. **Budget close report.** By October 15 of each odd-numbered year, the
5.6 commissioner shall prepare a detailed fund balance analysis of the general fund for the
5.7 previous biennium. The analysis shall include a comparison to the most recent publicly
5.8 available fund balance analysis of the general fund. The commissioner shall provide this
5.9 analysis to the chairs and ranking minority members of the house of representatives Ways
5.10 and Means Committee and the senate Finance Committee, and shall post the analysis on
5.11 the agency's Web site.

5.12 Sec. 5. Minnesota Statutes 2022, section 16A.152, subdivision 2, is amended to read:

5.13 Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund
5.14 revenues and expenditures, the commissioner of management and budget determines that
5.15 there will be a positive unrestricted budgetary general fund balance at the close of the
5.16 biennium, the commissioner of management and budget must allocate money to the following
5.17 accounts and purposes in priority order:

5.18 (1) the cash flow account established in subdivision 1 until that account reaches
5.19 \$350,000,000;

5.20 (2) the budget reserve account established in subdivision 1a until that account reaches
5.21 ~~\$2,377,399,000~~ \$2,852,098,000;

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

5.26 (4) the amount necessary to restore all or a portion of the net aid reductions under section
5.27 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75,
5.28 subdivision 5, by the same amount;

5.29 ~~(5) the amount necessary to increase the Minnesota 21st century fund by not more than~~
5.30 ~~the difference between \$5,000,000 and the sum of the amounts credited and canceled to it~~
5.31 ~~in the previous 12 months under Laws 2020, chapter 71, article 1, section 11, until the sum~~

6.1 ~~of all transfers under this section and all amounts credited or canceled under Laws 2020,~~
6.2 ~~chapter 71, article 1, section 11, equals \$20,000,000; and~~

6.3 ~~(6) for a forecast in November only, the amount remaining after the transfer under clause~~
6.4 ~~(5) must be used to reduce the percentage of accelerated June liability sales tax payments~~
6.5 ~~required under section 289A.20, subdivision 4, paragraph (b), until the percentage equals~~
6.6 ~~zero, rounded to the nearest tenth of a percent. By March 15 following the November~~
6.7 ~~forecast, the commissioner must provide the commissioner of revenue with the percentage~~
6.8 ~~of accelerated June liability owed based on the reduction required by this clause. By April~~
6.9 ~~15 each year, the commissioner of revenue must certify the percentage of June liability~~
6.10 ~~owed by vendors based on the reduction required by this clause.~~

6.11 (b) The amounts necessary to meet the requirements of this section are appropriated
6.12 from the general fund within two weeks after the forecast is released or, in the case of
6.13 transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations
6.14 schedules otherwise established in statute.

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

6.20 Sec. 6. Minnesota Statutes 2022, section 16A.97, is amended to read:

6.21 **16A.97 TOBACCO BONDS.**

6.22 The commissioner may sell and issue debt under ~~either or both of sections 16A.98 and~~
6.23 section 16A.99, but the net proceeds of bonds issued and sold under ~~those sections together~~
6.24 that section must not exceed \$640,000,000 during fiscal years 2012 and 2013.

6.25 Sec. 7. **REPEALER.**

6.26 Minnesota Statutes 2022, section 16A.98, is repealed."

6.27 Renumber the sections in sequence and correct the internal references

6.28 Amend the title accordingly