

Senate Rule 7 - Budget Resolution

7. BUDGET RESOLUTION

- 4.7 7.1 The Committees on Taxes and on Finance must hold
4.8 hearings as necessary to determine state revenues and
4.9 appropriations for the fiscal biennium.
- 4.10 7.2 Within 30 days after the last state general fund
4.11 revenue and expenditure forecast for the next fiscal biennium
4.12 becomes available during the regular session in the odd-numbered
4.13 year, and after receiving from the Committee on Taxes a
4.14 resolution containing its recommendation on the maximum limit on
4.15 revenues and an amount to be set aside as a budget reserve and a
4.16 cash flow account, the Committee on Finance must adopt and
4.17 report to the Senate a budget resolution, in the form of a
4.18 Senate resolution. The budget resolution must set: (1) the
4.19 maximum limit on revenues and net appropriations for the next
4.20 fiscal biennium for the general fund; and (2) an amount or
4.21 amounts to be set aside as a budget reserve and a cash flow
4.22 account. The budget resolution must not specify, limit, or
4.23 prescribe revenues or appropriations by any category other than
4.24 those specified in clauses (1) and (2). If the Committee on
4.25 Finance recommends a maximum limit on revenues or an amount for
4.26 the budget reserve or cash flow account that differs from the
4.27 amount recommended by the Committee on Taxes, the recommendation
4.28 of the Committee on Finance must be referred to the Committee on
4.29 Rules and Administration before it may be considered by the
4.30 Senate.
- 4.31 7.3 After the Senate adopts the budget resolution, the
4.32 limits in the resolution are effective during the regular
4.33 session in the year in which the resolution is adopted, unless
4.34 the Senate, acting upon a subsequent report of the Committee on
4.35 Taxes as to revenues or of the Committee on Finance as to
4.36 appropriations, adopts a different limit or limits for the same

5.1 fiscal biennium. During the regular session in the
5.2 even-numbered year, before the Committee on Finance reports a
5.3 bill containing net appropriations in excess of the general fund
5.4 appropriations in the current fiscal biennium estimated by the
5.5 most recent state budget forecast, the Committee must adopt a
5.6 budget resolution that accounts for the net appropriations.
5.7 After the Committee adopts the budget resolution, it is
5.8 effective during the regular session that year, unless the
5.9 Committee adopts a different or amended resolution.

5.10 7.4 Within 14 days after the Senate or the Committee on
5.11 Finance adopts a budget resolution, the Committee must adopt, by
5.12 resolution, limits for each major appropriation bill identified
5.13 in this Rule. After the Committee adopts the resolution, the
5.14 limits in the resolution are effective during the regular
5.15 session in the year in which the resolution is adopted, unless
5.16 the Committee subsequently adopts different or amended limits
5.17 for the same fiscal biennium. If the Committee on Finance or
5.18 the Senate combines two or more major appropriation bills into
5.19 one bill, the limits in the Committee resolution pertaining to
5.20 those bills are also combined, and the sum of the combined
5.21 limits applies to the combined bill.

5.22 7.5 The major tax and appropriation bills are:

- 5.23 (1) the omnibus tax bill;
- 5.24 (2) the early childhood education appropriations bill;
- 5.25 (3) the K-12 education appropriations bill;
- 5.26 (4) the higher education appropriations bill;
- 5.27 (5) the environment, agriculture, and economic development
5.28 appropriations bill;
- 5.29 (6) the health and human services appropriations bill;
- 5.30 (7) the public safety appropriations bill;
- 5.31 (8) the state government appropriations bill;
- 5.32 (9) the transportation appropriations bill; and
- 5.33 (10) the omnibus capital investment bill.

5.34 A major appropriation or tax bill may not be divided.

5.35 7.6 After the adoption of a resolution by the Senate or by

5.36 the Committee on Finance, the Committee on Finance and the

6.1 Committee on Taxes must reconcile each bill recommended by the

6.2 committee with the resolution or resolutions. When reporting a

6.3 bill, the committee must certify to the Senate that the

6.4 committee has reconciled the fiscal effect of the bill with the

6.5 resolution or resolutions and that the bill, as reported by the

6.6 committee, together with other bills reported and expected to be

6.7 reported by the committee, does not and will not exceed the

6.8 limits specified in either resolution.

6.9 7.7 After the adoption of a resolution by the Senate or the

6.10 Committee on Finance, an amendment to a bill is out of order if

6.11 it would cause any of the limits specified in either resolution

6.12 to be exceeded. Whether an amendment is out of order under
this

6.13 Rule is a question to be decided in the Senate by the President

6.14 and in committee by the committee chair. In making the

6.15 determination, the presiding officer may consider:

6.16 (1) the limits in a resolution;

6.17 (2) the effect of existing laws on revenues and

6.18 appropriations;

6.19 (3) the effect of amendments previously adopted to the

6.20 bill under consideration;

6.21 (4) the effect of bills previously recommended by a

6.22 committee or bills previously passed in the legislative session

6.23 by the Senate or by the Legislature;

6.24 (5) whether appropriation increases or revenue decreases

6.25 that would result from the amendment are offset by decreases in

6.26 other appropriations or increases in other revenue specified by

6.27 the amendment; and

6.28 (6) other information reasonably related to appropriation

6.29 and revenue amounts.

Agenda #1

1 A house resolution

2 setting the maximum limit on general fund expenditures
3 for the biennium ending June 30, 2007.

4

5 BE IT RESOLVED by the House of Representatives that the sum
6 of \$29,835,164,000 is the maximum limit on net expenditures and
7 transfers from the general fund for fiscal years 2006 and 2007.

8 BE IT FURTHER RESOLVED that the House of Representatives
9 finds that a cash flow account of \$350,000,000 and a budget
10 reserve of \$653,000,000 are necessary.

11 BE IT FURTHER RESOLVED that the limit on appropriations and
12 transfers from the general fund established in this resolution
13 may be adjusted to reflect forecast adjustments and
14 consolidation of other funds into the general fund. This
15 resolution is adopted under House Rule 4.03.

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A senate resolution

relating to the budget; setting the maximum limit on revenues and appropriations for the biennium.

BE IT RESOLVED, by the Senate of the State of Minnesota:

In accordance with Senate Rule 7, the following limits are adopted for the fiscal biennium ending June 30, 2007:

- 1. The maximum limit on general fund revenues is \$.,.,.,.,.,000.
- 2. The maximum limit on general fund net appropriations is \$.,.,.,.,.,000.
- 3. \$350,000,000 must be set aside as a cash flow account.
- 4. At least \$653,000,000 must be set aside as a budget reserve.

The limits on revenues and net appropriations established by this resolution may be automatically adjusted to reflect forecast adjustments and the transfer of other funds into or out of the general fund.

The limit on general fund revenue and the limit on general fund net appropriations may be automatically increased by the amount of new state spending used to reduce local property taxes.

**ARTICLE IV - BILLS AND RESOLUTIONS**

4.03 WAYS AND MEANS COMMITTEE; BUDGET RESOLUTION; EFFECT ON EXPENDITURE AND REVENUE BILLS. (a) The Committee on Ways and Means must hold hearings as necessary to determine state expenditures and revenues for the fiscal biennium.

(b) Within 20 days after the last state general fund revenue and expenditure forecast for the next fiscal biennium becomes available during the regular session in the odd-numbered year, the Committee on Ways and Means must adopt and report a budget resolution, in the form of a House resolution. The budget resolution must set: (a) the maximum limit on net expenditures for the next fiscal biennium for the general fund, excluding any increased expenditures for tax reduction and relief; and (b) an amount or amounts to be set aside as a budget reserve and a cash flow account. The House budget resolution must not specify, limit, or prescribe revenues or expenditures by any category other than those specified in clauses (a) and (b). After the House adopts the budget resolution, the limits in the resolution are effective during the regular session in the year in which the resolution is adopted, unless the resolution is amended according to the process specified in paragraph (f).

(c) During the regular session in the even-numbered year, before the Committee on Ways and Means reports a bill containing net increases or decreases in expenditures as compared to general fund expenditures in the current fiscal biennium estimated by the most recent state budget forecast, the Committee must adopt a budget resolution that accounts for the net changes in expenditures. Adoption of the resolution by the Committee must be reported to the House according to paragraph (g). After the Committee adopts the budget resolution, and after the process in paragraph (g) is completed, it is effective during the regular session that year, unless a different or amended resolution is adopted according to the process specified in paragraph (f).

(d) In the odd-numbered year, within 14 days after the House adopts a budget resolution, the Committee must adopt and report a resolution setting limits for each budget category represented by the major finance and revenue bills identified in paragraph (i). The Committee may also, in a resolution, set limits for funds other than the general fund. After the House adopts the resolution, the limits in the resolution are the maximums effective during the regular session in the year in which the resolution is adopted, unless the Committee or the House subsequently adopts different or amended limits for the same fiscal biennium according to the process specified in paragraph (f).

(e) In the even-numbered year, after the budget resolution is adopted by the Committee, the Committee must adopt a resolution setting limits for each budget category represented by the major finance and revenue bills identified in paragraph (i). The Committee may also, in a resolution, set limits for funds other than the general fund and the Committee may set a limit for total bonding authorized in a bill. Adoption of the resolution must be reported to the House according to paragraph (g). After the Committee adopts the resolution, and after the process in paragraph (g) is completed, the limits in the resolution are effective during the regular session in the year in which the resolution is adopted, unless different or amended limits are adopted according to the process specified in paragraph (f).

(f) After the House adopts a budget resolution or a resolution setting limits, the Committee on Ways and

Means may amend the resolution. If the Committee amends a resolution, that amendment must be reported to the House by the Chair of the Committee and printed in the House Journal. On the next day the House is in session, under the order of Motions and Resolutions, a member may make a motion to reject the amendment to a resolution made by the Ways and Means Committee. If that motion prevails, the amendment made by the Ways and Means Committee is rejected. If no motion is made or a motion is made and does not prevail, the amendment made by the Ways and Means Committee is adopted. The House may not amend a report of the Committee on Ways and Means under this paragraph. It is not in order to give notice of intent to reconsider at a later time or move to reconsider on a later day the motion to reject the amendment of the Committee on Ways and Means under this paragraph. After the Chair of the Committee on Ways and Means reports an amendment to limits under this paragraph, the Committee may not report a bill affected by the proposed amendment to the limits until the time has passed for the House to act under this paragraph. The limits for a bill that has already been given its second reading are not subject to amendment unless that bill is re-referred to a committee.

(g) After the Committee adopts a budget resolution or a resolution setting limits in the even-numbered year, the Committee action must be reported to the House by the Chair of the Committee and printed in the House Journal. On the next day the House is in session, under the order of Motions and Resolutions, a member may make a motion to reject a resolution adopted by the Ways and Means Committee. If that motion prevails, the resolution adopted by the Ways and Means Committee is rejected. If no motion is made or a motion is made and does not prevail, the resolution adopted by the Ways and Means Committee is adopted. The House may not amend a report of the Committee on Ways and Means under this paragraph. It is not in order to give notice of intent to reconsider at a later time or move to reconsider on a later day the motion to reject the report of the Committee on Ways and Means under this paragraph.

(h) The major finance or revenue bills may not be combined.

(i) Major finance and revenue bills are:

the higher education finance bill;

the education finance bill;

the agriculture and rural development finance bill;

the environment and natural resources finance bill;

the health finance bill;

the state government finance bill;

the jobs and economic opportunity finance bill;

the transportation finance bill;

the public safety finance bill;

the omnibus capital investment bill; and

the omnibus tax bill.

(j) After the adoption of a resolution by the House or by the Committee on Ways and Means, each finance committee, the Committee on Capital Investment, and the Committee on Taxes must reconcile each finance and revenue bill described in Rule 4.10 and Rule 4.11 with the resolution or resolutions. When reporting a bill, the committee must provide to the Committee on Ways and Means a fiscal statement on the bill.

(k) After the adoption of a resolution by the House or the Committee on Ways and Means, the Committee on Ways and Means must reconcile finance and revenue bills with the resolution or resolutions. When reporting a bill, the chair of the Committee must certify to the House that the Committee has reconciled the bill with the resolution or resolutions.

(l) After the adoption of a resolution by the House or the Committee on Ways and Means, an amendment to a bill is out of order if it would cause any of the limits specified in the resolution or resolutions to be exceeded. Whether an amendment is out of order under this Rule is a question to be decided on the Floor by the Speaker or other presiding officer and in committee by the person chairing the committee meeting. In making the determination, the Speaker or other presiding officer or the committee chair may consider: (1) the limits in a resolution; (2) the effect of existing laws on revenues and expenditures; (3) the effect of amendments previously adopted to the bill under consideration; (4) the effect of bills previously recommended by a committee or bills previously passed in the legislative session by the House or by the legislature; (5) whether expenditure increases or revenue decreases that would result from the amendment are offset by decreases in other expenditures or increases in other revenue specified by the amendment; and (6) other information reasonably related to expenditure and revenue amounts.

(m) After a resolution is adopted by the House or the Committee on Ways and Means, the Committee must make available a summary of the estimated fiscal effect on the general fund of each bill that has been referred to the Committee on Ways and Means by a finance committee, the Capital Investment Committee, or the Committee on Taxes and of each bill that has been reported by the Committee on Ways and Means.

[Rule 4.10](#)

[Rule 4.02](#)

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HANDOUT #1

Budget Resolution Calculation

	<u>Governor</u> <u>FY 06-07</u>	<u>House Res 6</u> <u>FY 06-07</u>	<u>Difference</u> <u>HR 6 - Gov</u>
Expenditures	29,813,706		
Non-Tax Revenue Changes	-54,101		
Net Expenditures	29,759,605	29,835,164	75,559

House Fiscal Staff 3/18/2005