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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 2224

02/27/2023 Authored by Hudson, Knudsen and Joy
The bill was read for the first time and referred to the Committee on State and Local Government Finance and Policy

1.1 A bill for an act
1.2 proposing an amendment to the Minnesota Constitution by adding a section to
1.3 article XI; limiting general fund expenditures to 5-1/3 percent of state personal
1.4 income.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. CONSTITUTIONAL AMENDMENT PROPOSED.

1.7 An amendment to the Minnesota Constitution is proposed to the people. If the amendment
1.8 is adopted, a section shall be added to article XI to read:

1.9 Sec. 16. The legislature must not cause total general fund expenditures for a fiscal year
1.10 to exceed 5-1/3 percent of forecasted state personal income for the fiscal year. Onetime
1.11 general fund expenditures are not included in the expenditure limit.

1.12 To accommodate the transfer of governmental functions between the federal and state
1.13 governments or the state and local units of government without contravening the intent of
1.14 the expenditure limit, the legislature must specify any adjustment to the expenditure limit
1.15 in law and the adjustment must be consistent with the following principles:

1.16 (1) if, by order of any court or by legislative enactment, the costs of a program or any
1.17 portion thereof are transferred from a local unit of government to the state, the legislature
1.18 may commensurately increase the expenditure limit provided the tax revenues of the affected
1.19 local unit of government are commensurately decreased;

1.20 (2) if, by order of any court or by legislative enactment, the costs of a program or any
1.21 portion thereof are transferred from the state to a local unit of government, the legislature

2.1 must commensurately decrease the appropriation limit and the tax revenues of the local unit
2.2 of government may be commensurately increased;

2.3 (3) if funds provided by the federal government in support of an existing program are
2.4 eliminated or significantly curtailed, the legislature may commensurately increase the
2.5 expenditure limit by the amount of the increased state costs incurred in administering the
2.6 program or any portion thereof pursuant to an order of any court or by legislative enactment;
2.7 and

2.8 (4) if the costs of a program are transferred from the state to the federal government, the
2.9 legislature must commensurately decrease the expenditure limit.

2.10 Sec. 2. **SUBMISSION TO VOTERS.**

2.11 The proposed amendment must be submitted to the people at the 2024 general election.
2.12 The question submitted must be:

2.13 "Shall the Minnesota Constitution be amended to limit general fund expenditures to no
2.14 more than 5-1/3 percent of state personal income?"

2.15 Yes
2.16 No "