

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-NINTH SESSION**

**S.F. No. 2887**

(SENATE AUTHORS: CHAMBERLAIN)

DATE	D-PG	OFFICIAL STATUS
03/17/2016		Introduction and first reading Referred to State and Local Government

A bill for an act

1.1 relating to state government; repealing the state auditor enterprise fund; providing  
 1.2 funding for the Office of the State Auditor from the general fund; appropriating  
 1.3 money; amending Minnesota Statutes 2014, sections 6.56, subdivision 2; 6.581,  
 1.4 subdivision 4; Minnesota Statutes 2015 Supplement, section 6.481, subdivision  
 1.5 6; repealing Minnesota Statutes 2014, section 6.581, subdivision 1.  
 1.6

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

1.8 Section 1. Minnesota Statutes 2015 Supplement, section 6.481, subdivision 6, is  
 1.9 amended to read:

1.10 Subd. 6. **Payments to state auditor.** A county audited by the state auditor must  
 1.11 pay the state auditor for the costs and expenses of the audit. If the state auditor makes  
 1.12 additional examinations of a county whose audit is performed by a CPA firm, the county  
 1.13 must pay the auditor for the cost of these examinations. Payments must be deposited in  
 1.14 the ~~state auditor enterprise~~ general fund.

1.15 Sec. 2. Minnesota Statutes 2014, section 6.56, subdivision 2, is amended to read:

1.16 Subd. 2. **Billings by state auditor.** Upon the examination of the books, records,  
 1.17 accounts, and affairs of any political subdivision, as provided by law, such political  
 1.18 subdivision shall be liable to the state for the total cost and expenses of such examination,  
 1.19 including the salaries paid to the examiners while actually engaged in making such  
 1.20 examination. The state auditor may bill such political subdivision periodically for service  
 1.21 rendered and the officials responsible for approving and paying claims are authorized to  
 1.22 pay said bill promptly. Said payments shall be without prejudice to any defense against  
 1.23 said claims that may exist or be asserted. The ~~state auditor enterprise~~ general fund shall be

2.1 credited with all collections made for any such examinations, including interest payments  
2.2 made pursuant to subdivision 3.

2.3 Sec. 3. Minnesota Statutes 2014, section 6.581, subdivision 4, is amended to read:

2.4 Subd. 4. **Reports to legislature.** At least 30 days before implementing increased  
2.5 charges for examinations, the state auditor must report the proposed increases to the  
2.6 chairs and ranking minority members of the committees in the house of representatives  
2.7 and the senate with jurisdiction over the budget of the state auditor. By January 15 of  
2.8 each odd-numbered year, the state auditor must report to the chairs and ranking minority  
2.9 members of the legislative committees and divisions with primary jurisdiction over the  
2.10 budget of the state auditor a summary of ~~the state auditor enterprise fund~~ anticipated  
2.11 revenues, and expenditures related to examinations for the biennium ending June 30  
2.12 of that year. The report must also include for the biennium the number of full-time  
2.13 equivalents paid by the fund, any audit rate changes stated as a percentage, the number of  
2.14 audit reports issued, and the number of counties audited.

2.15 Sec. 4. **TRANSITION.**

2.16 Notwithstanding any law to the contrary, receipts from examinations conducted by  
2.17 the state auditor must be credited to the general fund beginning July 1, 2016. Amounts in  
2.18 the state auditor enterprise fund are transferred to the general fund on July 1, 2016.

2.19 Sec. 5. **APPROPRIATION.**

2.20 \$6,951,000 for the fiscal year ending June 30, 2017, is appropriated from the general  
2.21 fund to the Office of the State Auditor.

2.22 Sec. 6. **REPEALER.**

2.23 Minnesota Statutes 2014, section 6.581, subdivision 1, is repealed.

APPENDIX  
Repealed Minnesota Statutes: 16-6644

**6.581 STATE AUDITOR ENTERPRISE FUND.**

Subdivision 1. **State auditor enterprise fund.** A state auditor enterprise fund is established in the state treasury. All amounts received for the costs and expenses of examinations performed under this chapter shall be credited to the fund. Amounts credited to the fund are annually appropriated to the state auditor to pay the costs and expenses related to the examinations performed, including, but not limited to, salaries, office overhead, equipment, authorized contracts, and other expenses.