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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 5223

04/02/2024 Authored by Olson, B., The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to local government aid; modifying the audit requirements for cities;
1.3 amending Minnesota Statutes 2022, section 477A.017, by adding a subdivision.

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

1.5 Section 1. Minnesota Statutes 2022, section 477A.017, is amended by adding a subdivision
1.6 to read:

1.7 Subd. 4. Audit requirements. (a) Notwithstanding any other law to the contrary, cities
1.8 may elect to provide audits required by statute to the state auditor on the schedule established
1.9 by this subdivision. The council of a city with an aid amount of at least \$50,000 but less
1.10 than \$100,000 must only provide for an audit of the city's financial affairs if it did not have
1.11 an audit in the previous year. A city with an aid amount of less than \$50,000 must only
1.12 provide for an audit of the city's financial affairs if it did not have an audit in the previous
1.13 two years.

1.14 (b) For the purposes of this subdivision, "aid amount" means the average of the
1.15 distributions received under sections 477A.011 to 477A.03 in the previous three calendar
1.16 years.

1.17 EFFECTIVE DATE. This section is effective for financial reports made in calendar
1.18 year 2025 and thereafter.