

A bill for an act

relating to state government; clarifying and strengthening laws prohibiting misuse of state funds; amending Minnesota Statutes 2008, sections 3.971, subdivision 6; 3.975; 16A.139; proposing coding for new law in Minnesota Statutes, chapter 16A.

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

Section 1. Minnesota Statutes 2008, section 3.971, subdivision 6, is amended to read:

Subd. 6. **Financial audits.** The legislative auditor shall audit the financial statements of the state of Minnesota required by section 16A.50 and, as resources permit, shall audit Minnesota State Colleges and Universities, the University of Minnesota, state agencies, departments, boards, commissions, courts, and other state organizations subject to audit by the legislative auditor, including the State Agricultural Society, Agricultural Utilization Research Institute, Enterprise Minnesota, Inc., Minnesota Historical Society, Labor Interpretive Center, Minnesota Partnership for Action Against Tobacco, Metropolitan Sports Facilities Commission, Metropolitan Airports Commission, and Metropolitan Mosquito Control District. Financial audits must be conducted according to generally accepted government auditing standards. The legislative auditor shall see that all provisions of law respecting the appropriate and economic use of public funds are complied with and may, as part of a financial audit or separately, investigate allegations of noncompliance by employees of departments and agencies of the state government and the other organizations listed in this subdivision.

Sec. 2. Minnesota Statutes 2008, section 3.975, is amended to read:

3.975 DUTIES CONCERNING MISUSE OF PUBLIC MONEY OR OTHER RESOURCES.

If a legislative auditor's examination discloses that a state official or employee has used money for a purpose other than the purpose for which the money was appropriated or discloses any other misuse of public money or other public resources, the legislative auditor shall file a report with the Legislative Audit Commission, the attorney general, and the appropriate county attorney. The attorney general shall seek recovery of money and other resources as the evidence may warrant. The county attorney shall cause criminal proceedings to be instituted as the evidence may warrant.

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

Sec. 3. Minnesota Statutes 2008, section 16A.139, is amended to read:

16A.139 MISAPPROPRIATION OF MONEY.

~~It is illegal for any~~ (a) No official or head of any state department in the executive, legislative, or judicial branches, or any employee thereof of a state department in those branches, to may intentionally use moneys money appropriated by law, or fees collected knowing that the use is for any other a purpose other than the purpose for which the moneys have been money was appropriated, and any such act by any. Unless a greater penalty is specified elsewhere in law, a person who violates this paragraph is guilty of a gross misdemeanor.

(b) A violation of paragraph (a) by a head of a department, or any state official, is cause for immediate removal of the official or head of a state department from the position held with the government of this state. A criminal conviction under paragraph (a) is not a prerequisite for removal. This paragraph does not apply to a judge, a constitutional officer, or a legislator, except as potential grounds for expulsion, impeachment, or recall in the manner specified in article IV, section 7, and article VIII of the Minnesota Constitution.

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to crimes committed on or after that date.

Sec. 4. **[16A.1391] BEST PRACTICES FOR INVESTIGATIONS.**

The commissioner of finance must develop and make available to appointing authorities in the executive, legislative, and judicial branches a best practices policy for conducting investigations in which the appointing authority compels its employees to answer questions about allegedly inappropriate activity. The best practices policy must

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3.1 be designed to facilitate effective investigations, without compromising the ability to
3.2 prosecute criminal cases when appropriate. Each appointing authority must follow the
3.3 best practices policy or, in consultation with the attorney general, must develop its own
3.4 policy for conducting these investigations.

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