

SENATE
STATE OF MINNESOTA
EIGHTY-SEVENTH LEGISLATURE **S.F. No. 1260**

(SENATE AUTHORS: KRUSE, Chamberlain, Hann, Thompson and Daley)

DATE	D-PG	OFFICIAL STATUS
04/26/2011	1402	Introduction and first reading Referred to Local Government and Elections
05/09/2011	1793a 1848	Comm report: To pass as amended and re-refer to State Government Innovation and Veterans Withdrawn and re-referred to Finance
05/17/2011	2100a 2101	Comm report: To pass as amended Second reading

A bill for an act

1.1 relating to local government; permitting counties to perform private audit
1.2 meeting standards of state auditor; permitting federal single audit for cities
1.3 and counties; eliminating certain mandated reporting; providing for alternative
1.4 Web site publication; making building code official designation permissive;
1.5 modifying certain mandates for municipal planning process; repealing mandate
1.6 of clerk hire in certain counties; repealing provisions on seed and feed loans;
1.7 repealing certain mandates regarding group insurance for governmental units;
1.8 repealing mandate for policy on out-of-state travel; amending Minnesota Statutes
1.9 2010, sections 6.48; 299A.77; 326B.133, subdivision 1; 331A.12; 462.355,
1.10 subdivision 4; 471.697, by adding a subdivision; proposing coding for new law
1.11 in Minnesota Statutes, chapter 6; repealing Minnesota Statutes 2010, sections
1.12 326B.145; 340A.403, subdivision 4; 382.265; 395.14; 395.15; 395.16; 395.17;
1.13 395.18; 395.19; 395.20; 395.21; 395.22; 395.23; 395.24; 471.6161, subdivision
1.14 5; 471.661.
1.15

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

1.17 Section 1. Minnesota Statutes 2010, section 6.48, is amended to read:

1.18 **6.48 EXAMINATION OF COUNTIES; COST, FEES.**

1.19 (a) All the powers and duties conferred and imposed upon the state auditor shall
1.20 be exercised and performed by the state auditor in respect to the offices, institutions,
1.21 public property, and improvements of several counties of the state. At least once in each
1.22 year, if funds and personnel permit, the state auditor may visit, without previous notice,
1.23 each county and make a thorough examination of all accounts and records relating to the
1.24 receipt and disbursement of the public funds and the custody of the public funds and
1.25 other property. If the audit is performed by a private certified public accountant, the state
1.26 auditor may require additional information from the private certified public accountant as
1.27 the state auditor deems in the public interest. The state auditor may accept the audit or
1.28 make additional examinations as the state auditor deems to be in the public interest. The

2.1 state auditor shall prescribe and install systems of accounts and financial reports that shall
2.2 be uniform, so far as practicable, for the same class of offices. A copy of the report of
2.3 such examination shall be filed and be subject to public inspection in the office of the state
2.4 auditor and another copy in the office of the auditor of the county thus examined. The state
2.5 auditor may accept the records and audit, or any part thereof, of the Department of Human
2.6 Services in lieu of examination of the county social welfare funds, if such audit has been
2.7 made within any period covered by the state auditor's audit of the other records of the
2.8 county. If any such examination shall disclose malfeasance, misfeasance, or nonfeasance
2.9 in any office of such county, such report shall be filed with the county attorney of the
2.10 county, and the county attorney shall institute such civil and criminal proceedings as the
2.11 law and the protection of the public interests shall require.

2.12 (b) The county receiving any examination shall pay to the state general fund,
2.13 notwithstanding the provisions of section 16A.125, the total cost and expenses of such
2.14 examinations, including the salaries paid to the examiners while actually engaged in
2.15 making such examination. The state auditor on deeming it advisable may bill counties,
2.16 having a population of 200,000 or over, monthly for services rendered and the officials
2.17 responsible for approving and paying claims shall cause said bill to be promptly paid. The
2.18 general fund shall be credited with all collections made for any such examinations.

2.19 (c) Notwithstanding paragraph (a), a county may provide for an audit to be
2.20 performed by a private certified public accountant. The audit performed under this
2.21 paragraph must meet the standards and be in the form required by the state auditor.
2.22 The state auditor may require additional information from the private certified public
2.23 accountant as the state auditor deems in the public interest, but the state auditor must
2.24 accept the audit unless the state auditor determines that it does not meet recognized
2.25 auditing industry standards. A county audited by a private public accountant cannot be
2.26 required to pay to the state general fund any costs for state auditor services.

2.27 **Sec. 2. [6.485] FEDERAL SINGLE AUDIT.**

2.28 A political subdivision that prepares a single audit that meets the requirements in
2.29 United States Code, title 31, section 7501 et seq., may submit the audit to the state auditor
2.30 to satisfy the audit requirements of this chapter.

2.31 Sec. 3. Minnesota Statutes 2010, section 299A.77, is amended to read:

2.32 **299A.77 ALCOHOL ENFORCEMENT ACCOUNT; APPROPRIATION.**

2.33 (a) An alcohol enforcement account is created in the special revenue fund, consisting
2.34 of money credited to the account by law. Money in the account may be appropriated

S.F. No. 1260, as introduced - 87th Legislative Session (2011-2012) [11-2029]

3.1 by law for (1) costs of the Alcohol and Gambling Division related to administration
3.2 and enforcement of sections ~~340A.403, subdivision 4;~~ 340A.414, subdivision 1a₂, and
3.3 340A.504, subdivision 7; and (2) costs of the State Patrol.

3.4 (b) The commissioner shall transfer from the account to the trunk highway fund
3.5 \$3,500,000 in fiscal year 2004 and \$3,700,000 in fiscal year 2005, or so much thereof as
3.6 is necessary to pay costs of adding State Patrol positions.

3.7 Sec. 4. Minnesota Statutes 2010, section 326B.133, subdivision 1, is amended to read:

3.8 Subdivision 1. **Designation.** Each municipality ~~shall~~ may designate a building
3.9 official to administer the code. A municipality may designate no more than one building
3.10 official responsible for code administration defined by each certification category created
3.11 by statute or rule. Two or more municipalities may combine in the designation of a
3.12 building official for the purpose of administering the provisions of the code within their
3.13 communities. In those municipalities for which no building officials have been designated,
3.14 the state building official may use whichever state employees are necessary to perform
3.15 the duties of the building official until the municipality makes a temporary or permanent
3.16 designation. All costs incurred by virtue of these services rendered by state employees
3.17 must be borne by the involved municipality and receipts arising from these services must
3.18 be paid to the commissioner.

3.19 Sec. 5. Minnesota Statutes 2010, section 331A.12, is amended to read:

3.20 **331A.12 WEB SITE PUBLICATION ~~OF LOCAL TRANSPORTATION RFP.~~**

3.21 Subdivision 1. **Definitions.** (a) The terms defined in this subdivision and section
3.22 331A.01 apply to this section.

3.23 (b) "Web site" means a specific, addressable location provided on a server connected
3.24 to the Internet and hosting World Wide Web pages and other files that are generally
3.25 accessible on the Internet all or most of the day.

3.26 Subd. 2. **Designation.** At the meeting of the governing body of the ~~local public~~
3.27 ~~corporation~~ political subdivision at which the governing body must designate its official
3.28 newspaper for the year, the governing body may designate in the same manner publication
3.29 of transportation projects, proceedings, official notices, and summaries on the ~~local public~~
3.30 ~~corporation's~~ political subdivision's Web site. Publication on the Web site may be used
3.31 in place of or in addition to any other required form of publication. Each year after
3.32 designating publication on the Web site for transportation projects, proceedings, official
3.33 notices, and summaries, the ~~local public corporation~~ political subdivision must publish in
3.34 a qualified newspaper in the jurisdiction and on the Web site, notice that the ~~local public~~

S.F. No. 1260, as introduced - 87th Legislative Session (2011-2012) [11-2029]

4.1 ~~corporation~~ political subdivision will publish any advertisements for bids, proceedings,
4.2 official notices, and summaries on its Web site.

4.3 Subd. 3. **Form, time for publication same.** A ~~local public corporation~~ political
4.4 subdivision that publishes on its Web site under this section must post the information in
4.5 substantially the same format and for the same period of time as required for publication
4.6 in an official newspaper or other print publication.

4.7 Subd. 4. **Record retention.** A ~~local public corporation~~ political subdivision that
4.8 publishes notice on its Web site under this section must ensure that a permanent record of
4.9 publication is maintained in a form accessible by the public.

4.10 Subd. 5. **Print copies.** When a political subdivision publishes exclusively on the
4.11 Web site, it must also make print copies of all published documents available at the main
4.12 office of the political subdivision, any other government offices designated by the political
4.13 subdivision, all public libraries within the jurisdiction, and by mail upon request.

4.14 Subd. 6. **Newspaper notice of Web site publication.** Each year after designating
4.15 alternative publication on the Web site, the political subdivision must publish notice of
4.16 the alternative means of publication in a qualified newspaper in the jurisdiction and on
4.17 the Web site.

4.18 Sec. 6. Minnesota Statutes 2010, section 462.355, subdivision 4, is amended to read:

4.19 Subd. 4. **Interim ordinance.** (a) ~~If a municipality is conducting studies or has~~
4.20 ~~authorized a study to be conducted or has held or has scheduled a hearing for the purpose~~
4.21 ~~of considering adoption or amendment of a comprehensive plan or official controls~~
4.22 ~~as defined in section 462.352, subdivision 15, or if new territory for which plans or~~
4.23 ~~controls have not been adopted is annexed to a municipality, The governing body of the~~
4.24 municipality may adopt an interim ordinance applicable to all or part of its jurisdiction
4.25 ~~for the purpose of protecting the planning process and the health, safety and welfare of its~~
4.26 ~~citizens.~~ The interim ordinance may regulate, restrict, or prohibit any use, development,
4.27 or subdivision within the jurisdiction or a portion thereof for a period not to exceed one
4.28 year from the date it is effective.

4.29 (b) If a proposed interim ordinance purports to regulate, restrict, or prohibit activities
4.30 relating to livestock production, a public hearing must be held following a ten-day notice
4.31 given by publication in a newspaper of general circulation in the municipality before
4.32 the interim ordinance takes effect.

4.33 (c) The period of an interim ordinance applicable to an area that is affected by
4.34 a city's master plan for a municipal airport may be extended for such additional periods
4.35 as the municipality may deem appropriate, not exceeding a total additional period of 18

S.F. No. 1260, as introduced - 87th Legislative Session (2011-2012) [11-2029]

5.1 months. In all other cases, no interim ordinance may halt, delay, or impede a subdivision
5.2 that has been given preliminary approval, nor may any interim ordinance extend the
5.3 time deadline for agency action set forth in section 15.99 with respect to any application
5.4 filed prior to the effective date of the interim ordinance. The governing body of the
5.5 municipality may extend the interim ordinance after a public hearing and written findings
5.6 have been adopted based upon one or more of the conditions in clause (1), (2), or (3).
5.7 The public hearing must be held at least 15 days but not more than 30 days before the
5.8 expiration of the interim ordinance, and notice of the hearing must be published at least
5.9 ten days before the hearing. The interim ordinance may be extended for the following
5.10 conditions and durations, but, except as provided in clause (3), an interim ordinance may
5.11 not be extended more than an additional 18 months:

5.12 (1) up to an additional 120 days following the receipt of the final approval or review
5.13 by a federal, state, or metropolitan agency when the approval is required by law and the
5.14 review or approval has not been completed and received by the municipality at least 30
5.15 days before the expiration of the interim ordinance;

5.16 (2) up to an additional 120 days following the completion of any other process
5.17 required by a state statute, federal law, or court order, when the process is not completed at
5.18 least 30 days before the expiration of the interim ordinance; or

5.19 (3) up to an additional one year if the municipality has not adopted a comprehensive
5.20 plan under this section at the time the interim ordinance is enacted.

5.21 Sec. 7. Minnesota Statutes 2010, section 471.697, is amended by adding a subdivision
5.22 to read:

5.23 Subd. 3. **Federal single audit.** A city or town that prepares a single audit that meets
5.24 the requirements in United States Code, title 31, section 7501 et seq., may submit the audit
5.25 to the state auditor to satisfy the requirements of this section.

5.26 Sec. 8. **REPEALER.**

5.27 Minnesota Statutes 2010, sections 326B.145; 340A.403, subdivision 4; 382.265;
5.28 395.14; 395.15; 395.16; 395.17; 395.18; 395.19; 395.20; 395.21; 395.22; 395.23; 395.24;
5.29 471.6161, subdivision 5; and 471.661, are repealed.

326B.145 ANNUAL REPORT.

Each municipality shall annually report by June 30 to the department, in a format prescribed by the department, all construction and development-related fees collected by the municipality from developers, builders, and subcontractors if the cumulative fees collected exceeded \$5,000 in the reporting year, except that, for reports due June 30, 2009, to June 30, 2013, the reporting threshold is \$10,000. The report must include:

- (1) the number and valuation of units for which fees were paid;
- (2) the amount of building permit fees, plan review fees, administrative fees, engineering fees, infrastructure fees, and other construction and development-related fees; and
- (3) the expenses associated with the municipal activities for which fees were collected.

A municipality that fails to report to the department in accordance with this section is subject to the remedies provided by section 326B.082.

340A.403 3.2 PERCENT MALT LIQUOR LICENSES.

Subd. 4. **Notice to commissioner.** Within ten days of the issuance of a license under this section, a municipality shall inform the commissioner, on a form the commissioner prescribes, of the licensee's name and address and trade name, the effective date and expiration date of the license, and any other information on the license the commissioner requires.

382.265 CLERK HIRE IN CERTAIN COUNTIES.

In all counties of this state where the amount of clerk hire now or hereafter provided by law for any county office shall be insufficient to meet the requirements of said office, the county officer in need of additional clerk hire shall prepare a petition and statement setting forth therein the amount of additional clerk hire needed and file the same with the county auditor, who shall present the same to the board of county commissioners at the next meeting of said board. If the board of county commissioners shall grant said petition by majority vote of all members elected to the board, then the amount of additional clerk hire requested in said petition shall thereupon become effective for said office. Said board shall act on any such petition within 60 days from the time it has been filed with the county auditor. If the board of county commissioners shall determine that the amount of additional clerk hire requested in said petition is excessive and more than is necessary for said office, it shall fix the amount of such additional clerk hire to be allowed, if any, and notify such officer thereof.

395.14 SEED AND FEED LOANS.

Authority is granted to any county in the state to lend money to residents of the county who are citizens of the United States or resident aliens or who have declared their intention of becoming citizens of the United States, for the purpose of purchasing seed and feed for teams whenever there has been a total or partial failure of crops in the county, by reason of hail, flood, drought, fire, or other cause. Qualified residents must own, or hold under contract for deed, land previously under cultivation and cropped and in condition capable of being cropped during the ensuing year, but must be unable to procure seed for planting their land and feed for their teams while doing the planting and must be in imminent danger of losing their property. If not less than 25 resident landowners of the county, before March first next following the crop failure, present to the auditor of the county a petition signed by them asking that the county lend money to residents suffering by reason of the crop failure, for the purpose of purchasing seed and feed, the auditor shall receive and file the petition and at once call a meeting of the county board to consider the petition. The county board shall, on or before the second Monday in March, next following, meet and consider the petition and may enter an order that the county lend, from its general fund, sums as it deems necessary for the purpose; however, the amount shall not, with the existing indebtedness of the county, exceed the amount of indebtedness fixed by the laws of this state.

395.15 APPLICATIONS TO COUNTY AUDITOR.

Any resident freeholder of such county may apply for seed and feed or either of them, for personal use as follows: The freeholder shall file with the county auditor, on or before the second Monday in March, a verified written application therefor showing the following facts:

- (1) the freeholder's name, residence, and the places where the freeholder has resided during the past five years;

APPENDIX

Repealed Minnesota Statutes: 11-2029

- (2) all lands owned or occupied by the freeholder and the freeholder's interest therein and the encumbrances, if any, thereon;
- (3) all personal property owned by the freeholder and the encumbrances, if any, thereon;
- (4) the number of acres the freeholder seeded and harvested last year and the number of bushels of grain threshed therefrom;
- (5) the description of land desired to be prepared for crop and seed, its condition and number of acres plowed and unplowed;
- (6) the number of horses and oxen owned by the freeholder and the encumbrances, if any, thereon;
- (7) the number of bushels and kind of seed desired and the number of bushels of feed required; and
- (8) that the freeholder is poor and unable to procure seed or feed from any other source.

395.16 COUNTY BOARD; WHEN TO RECEIVE APPLICATIONS.

The county auditor shall file and number the applications in the order received and call the county board to meet on the second Tuesday in March next following; and the board shall meet and consider these applications separately and in the order of their filing, and may grant such applications, in whole or in part, as appears to it just and proper. Not more than 200 bushels of wheat, or its equivalent in other seed, shall be furnished to any one person.

The county board is hereby granted authority, in its discretion, to direct the filing by the auditor of the petition provided for in section 395.14 after March 1st, and to receive applications for grain after the second Monday in March and to act upon such petition and application the same as if received prior to the respective dates provided in section 395.15.

The county board shall make an order specifying the names of persons and amounts allowed with the kind and quantities of seed and feed granted, and the county auditor shall issue and deliver to the applicant a warrant showing such allowance. Such warrant shall be for the purchase of such seed and feed and for no other purpose whatever, and shall be paid by the county treasurer only when there is endorsed on the back thereof a receipt signed by the applicant, acknowledging receipt by the applicant from some reputable person, of the seed and feed therein specified.

395.17 COUNTY AUDITOR AND COUNTY ATTORNEY TO COUNSEL BOARD.

The county auditor and county attorney are hereby required to attend all meetings of the county board provided in sections 395.14 to 395.24 and to carefully examine all applications filed under the provisions of sections 395.14 to 395.24 and shall give the board the benefit of all information they may have relative to the applicants, and shall counsel, advise, and assist the county board in the discharge of its duties under sections 395.14 to 395.24.

395.18 CONDITION OF CONTRACT.

The warrant provided for in section 395.16 shall not be delivered until the applicant shall have signed a contract in duplicate, attested by the county auditor, to the effect that the applicant, for and in consideration of the seed and feed specified received from the county, promises to pay to the county the amount allowed for the same, on or before the first day of October following, with interest at the rate of six percent per annum, that such amount shall be a first lien upon the crop raised from the seed and, in addition thereto, shall be taxable against the real property of the applicant for which seed and feed was furnished. The contract shall also contain a true description of the land upon which the applicant intends to and will sow and plant such seed, in due season next following, and shall specify that the written application shall be a part of this contract. The auditor shall forthwith record one of such duplicate contracts with the county recorder of the county, for which the applicant shall pay the required recording fee and file the other duplicate in the auditor's office.

395.19 COUNTY TO HAVE LIEN UPON CROPS.

Upon the filing of the contracts provided for in section 395.18, the county shall acquire a just and valid lien upon the crops of grain raised each year by the person receiving the seed or feed, for the amount owing to the county upon the contract, as against all creditors, purchasers, or mortgagees, whether in good faith, or otherwise, and the filing of the contract shall be held and

APPENDIX

Repealed Minnesota Statutes: 11-2029

considered to be full and sufficient notice to all parties of the existence and extent of the lien, which shall continue in force until the amount covered by the contract is fully paid.

395.20 INDEBTEDNESS DUE OCTOBER 1, RATE OF INTEREST.

The amount of such indebtedness upon such contracts shall become due and payable on the first day of October in the year in which the seed or feed, or both, is furnished, together with interest on such amount from the date of the warrants issued therefor, at the rate of six percent per annum; and, if the indebtedness be not paid on or before the first day of November of that year it shall then be the duty of the auditor of the county to cause the amount of the indebtedness to be entered upon the tax list of the county, as a tax against the land owned by the applicant for whom the aid was furnished, to be collected as other taxes are collected under the laws of this state.

395.21 MARKETING OF GRAIN.

Each and every person who has received seed or feed, or both, under the provisions of sections 395.14 to 395.24, shall, as soon as crops for the year wherein payment is to be made are harvested and threshed, market a sufficient amount of grain to pay the amount then due on the contract and pay the same over to the auditor of the county.

395.22 PENALTY FOR VIOLATION.

Any person who shall, contrary to the provisions of sections 395.14 to 395.24, sell, transfer, take, or carry away, or in any manner dispose of, the seed or feed, or any part thereof, furnished by the county under sections 395.14 to 395.24 or shall use or dispose of such seed or feed, or any part thereof, for any other purpose than that of planting or sowing with same as stated in the application and contract, or shall sell, transfer, take, or carry away, or in any manner dispose of, the crop or any part thereof, produced from the sowing or planting of such seed, before the same is paid for, is guilty of a misdemeanor and shall pay all the costs of prosecution, and whoever under any of the provisions of sections 395.14 to 395.24 shall be found guilty of false swearing shall be deemed to have committed perjury and shall upon conviction suffer the pains and penalties of that crime. Upon the recording of the contract in the office of the county recorder, and the sowing of the seed obtained therefor, the title and right of possession to the growing crop and to the grain produced from the seed shall be in the county which shall have furnished the seed until the debt incurred for such seed or feed, shall have been paid, and any seizure thereof or interference therewith except by the applicant and those in the applicant's employ, for the purpose of harvesting, threshing, and marketing the same to pay such debt, shall be deemed a conversion thereof and treble damages may be recovered against the person so converting the same by the county furnishing such seed and feed.

395.23 DUTIES OF POLICE OFFICERS.

It shall be the duty of the town clerk of a town and the members of the county board, sheriff, and county attorneys of any county furnishing seed or feed, having any knowledge of the violation of the provisions of sections 395.14 to 395.24, to file a complaint with a district court. The court shall issue a warrant for the arrest of the offender, and proceed to hear and determine the matter or to bind the offender over to appear before the grand jury, as the case may be.

395.24 PRO RATA DISTRIBUTION.

If more seed grain is applied for than can be supplied by the county board, a pro rata distribution shall be made by it among those who shall have been found entitled to the benefits of sections 395.14 to 395.24. The board shall have the right to refuse any application which it may deem improper to grant, and may revise their adjustment of applications at any time before final distribution.

471.6161 GROUP INSURANCE; GOVERNMENTAL UNITS.

Subd. 5. **Collective bargaining.** The aggregate value of benefits provided by a group insurance contract for employees covered by a collective agreement shall not be reduced, unless

APPENDIX

Repealed Minnesota Statutes: 11-2029

the public employer and exclusive representative of the employees of an appropriate bargaining unit, certified under section 179A.12, agree to a reduction in benefits.

471.661 OUT-OF-STATE TRAVEL.

The governing body of each statutory or home rule charter city, county, school district, regional agency, or other political subdivision, except a town, must have on record a policy that controls travel outside the state of Minnesota for the applicable elected officials of the relevant unit of government. The policy must be approved by a recorded vote and specify:

- (1) when travel outside the state is appropriate;
- (2) applicable expense limits; and
- (3) procedures for approval of the travel.

The policy must be made available for public inspection upon request. Subsequent changes to the policy must be approved by a recorded vote.