

**SENATE  
STATE OF MINNESOTA  
NINETY-FIRST SESSION**

**S.F. No. 3916**

(SENATE AUTHORS: LAINE)

DATE  
03/04/2020

D-PG  
5225

OFFICIAL STATUS  
Introduction and first reading  
Referred to State Government Finance and Policy and Elections

1.1 A bill for an act  
1.2 relating to state government; changing provisions for state auditor; amending  
1.3 Minnesota Statutes 2018, section 6.54.

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

1.5 Section 1. Minnesota Statutes 2018, section 6.54, is amended to read:

1.6 **6.54 EXAMINATION OF POLITICAL SUBDIVISION RECORDS; PETITION.**

1.7 Subdivision 1. **Petition of voters for audit.** The registered voters in a political subdivision  
1.8 other than a town or school district, or the electors at an annual or special town meeting of  
1.9 a town, may petition the state auditor to examine the books, records, accounts, and affairs  
1.10 of the political subdivision or of any organizational unit, activity, project, enterprise, or  
1.11 fund thereof; ~~and the scope of the examination may be limited by the petition, but the~~  
1.12 ~~examination shall cover, at least, all cash received and disbursed and the transactions relating~~  
1.13 ~~thereto, provided that the state auditor shall not examine more than the six latest years~~  
1.14 ~~preceding the circulation of the petition, unless it appears to the state auditor during the~~  
1.15 ~~examination that the audit period should be extended to permit a full recovery under bonds~~  
1.16 ~~furnished by public officers or employees, and may if it appears to the auditor in the public~~  
1.17 ~~interest confine the period or the scope of audit or both period and scope of audit, to less~~  
1.18 ~~than that requested by the petition.~~ In the case of a political subdivision other than a town  
1.19 or school district, the petition shall be signed by a number of registered voters at least equal  
1.20 to 20 percent of those voting in the last presidential election.

1.21 Subd. 2. **School districts.** The eligible registered voters of any a school district may  
1.22 petition the state auditor, ~~who shall be subject to the same restrictions regarding the scope~~  
1.23 ~~and period of audit~~ to examine the books, records, accounts, and affairs of the school district

2.1 or of any organizational unit, activity, project, enterprise, or fund thereof, provided that the  
2.2 petition shall be signed by the greater of:

2.3 (1) at least ten ~~eligible~~ registered voters for each 50 resident pupils in average daily  
2.4 membership during the preceding school year as shown on the records in the office of the  
2.5 commissioner of education. ~~In the case of school districts, the petition shall be signed by~~  
2.6 at least; or

2.7 (2) ten ~~eligible~~ registered voters.

2.8 Subd. 2a. **Scope; state auditor determination.** A petition shall not be considered  
2.9 complete until it has been certified in accordance with subdivision 3. Upon presentation of  
2.10 a complete petition, the state auditor shall determine whether the petition presents issues  
2.11 appropriate for an audit by the state auditor. If the state auditor determines that a petition  
2.12 presents one or more issues appropriate for an audit by the state auditor, the state auditor  
2.13 shall determine the scope and time period of the examination, except that the state auditor  
2.14 shall not examine more than the six latest years preceding the circulation of the petition,  
2.15 unless the state auditor determines that the audit period should be extended to permit a full  
2.16 recovery under bonds furnished by public officers or employees. Notwithstanding section  
2.17 6.715, subdivision 2, the state auditor's determination that a petition submitted under this  
2.18 section presents issues appropriate for an audit, as well as the fact that an examination under  
2.19 this section is occurring, shall be public data.

2.20 Subd. 3. **Cost; certifications required.** At the time it is circulated, every petition shall  
2.21 contain a statement that the cost of the audit will be borne by the political subdivision as  
2.22 provided by law. Thirty days before the petition is delivered to the state auditor it shall be  
2.23 presented to the appropriate clerk or chief administrative officer of the political subdivision  
2.24 and, ~~except for petitions for audits of towns, to the county auditor.~~ The county auditor shall  
2.25 determine and certify whether the petition is signed by the required number of registered  
2.26 voters ~~or eligible voters as the case may be.~~ For petitions for an audit of a town, the town  
2.27 clerk shall determine and certify whether the petition was approved by a majority of the  
2.28 electors at an annual or special meeting of the town. The certificate shall be conclusive  
2.29 evidence thereof in any action or proceeding for the recovery of the costs, charges, and  
2.30 expenses of any examination made pursuant to the petition.