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

Section 1. Minnesota Statutes 2002, section 331A.04, is amended by adding a subdivision to read:

Subd. 6. EXCEPTION TO DESIGNATION PRIORITY. (a) Notwithstanding subdivisions 1 to 3, the governing body of a local public corporation may designate any newspaper for publication of its official proceedings and public notices, if the following conditions are met:

(1) the newspaper is a qualified medium of official and legal publication;

(2) the publisher of the newspaper furnishes a sworn statement, verified by a recognized independent circulation auditing agency, covering a period of at least one year ending no earlier than 60 days before designation of the newspaper, stating that the newspaper's circulation reaches not fewer than 75 percent of the households within the public corporation;

(3) the newspaper has provided regular coverage of the proceedings of the governing body of the local public corporation and will continue to do so; and

(4) the governing body votes unanimously to designate the newspaper.

(b) If the circulation of a newspaper designated under this subdivision falls below 75 percent of the households within the public local corporation at any time within the term of its designation as official newspaper, its qualification to publish public notices for the local public corporation terminates.

Presented to the governor May 15, 2003

Signed by the governor May 19, 2003, 11:20 a.m.

CHAPTER 60-S.F.No. 407

An act relating to towns; providing for optional election of certain officers; amending Minnesota Statutes 2002, sections 367.30, subdivisions 2, 4; 367.31, subdivision 4; 367.34; 367.36, subdivision 1.

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

Section 1. Minnesota Statutes 2002, section 367.30, subdivision 2, is amended to read:

Subd. 2. OPTION B; APPOINTMENT OF CLERK AND TREASURER. A town may provide for the appointment by the town board of its clerk or treasurer, or both, or if combined pursuant to the adoption of option D as defined in subdivision 4, its clerk-treasurer, as provided in sections 367.30 to 367.36. This is option B.

New language is indicated by underline, deletions by strikeout.

Sec. 2. Minnesota Statutes 2002, section 367.30, subdivision 4, is amended to read:

Subd. 4. OPTION D; COMBINATION OF THE OFFICES OF CLERK AND TREASURER. A town may combine the offices of clerk and treasurer. A town may provide that the combined office be elective or appointive. This is option D. The combined office may be made elective or appointive pursuant to option B as provided in subdivision 2. Unless the board action or petition seeking the adoption of option D specifies that the appropriate ballot question for option B is also to be submitted to the voters at the same time as the ballot question on option D, the combined position shall be filled in the manner currently being used for the town clerk position.

Sec. 3. Minnesota Statutes 2002, section 367.31, subdivision 4, is amended to read:

Subd. 4. **ELECTION; FORM OF BALLOT.** The proposals for adoption of the options shall be stated on the ballot substantially as follows:

"Shall option A, providing for a five-member town board of supervisors, be adopted for the government of the town?"

"Shall option B, providing for the appointment of the clerk and treasurer by the town board, be adopted for the government of the town?"

"Shall option C, providing for the appointment of a town administrator by the town board, be adopted for the government of the town?"

"Shall option D, providing for combining the offices of clerk and treasurer, be adopted for the government of the town?"

If a proposal under option B is to appoint only the clerk or only the treasurer, or if it is to appoint the combined clerk-treasurer following the adoption of option D or when submitted simultaneously with the ballot question for option D, the ballot question shall be varied to read appropriately. The ballot question for a proposal under option D must be varied to show whether the combined office is to be appointive or elective If an option B ballot question is submitted for the combined clerk-treasurer office at the same election in which option D is also on the ballot, the ballot must note that the approval of option B is contingent on the simultaneous approval of option D. In any of these cases, the question shall be followed by the words "Yes" and "No" with an appropriate square before each in which an elector may record a choice.

Sec. 4. Minnesota Statutes 2002, section 367.34, is amended to read:

367.34 CONTINUANCE IN OFFICE; ELECTIONS.

Subdivision 1. **OPTION B; INCUMBENT CLERK AND TREASURER.** If option B is adopted at an election at which a clerk or treasurer, or a clerk-treasurer under option D, is elected, the candidate elected to that office shall not take office and that candidate's election shall be null. Otherwise, when option B is adopted in a town, the incumbent clerk or treasurer, or clerk-treasurer, shall continue to serve until the expiration of their terms or until an earlier vacancy.

New language is indicated by underline, deletions by strikeout.

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Subd. 2. ABANDONMENT OF OPTION B. When option B is abandoned, the offices of clerk or treasurer, or the office of clerk-treasurer under option D, shall be filled conditionally at that election. The ballot shall indicate that the successful candidate shall take office only if the option is abandoned at the election.

Sec. 5. Minnesota Statutes 2002, section 367.36, subdivision 1, is amended to read:

Subdivision 1. TRANSITION; AUDIT. In a town in which option D is adopted, the incumbent treasurer shall continue in office until the expiration of the term. Thereafter, or at any time a vacancy other than a temporary vacancy under section 367.03 occurs in the position, the duties of the treasurer prescribed by law shall be performed by the clerk who shall be referred to as the clerk-treasurer. If option D is adopted at an election in which the treasurer is also elected, the election of the treasurer's position is void. If the offices of clerk and treasurer are combined and the town's annual revenue is more than \$100,000, the town board shall provide for an annual audit of the town's financial affairs by the state auditor or a public accountant in accordance with minimum audit procedures prescribed by the state auditor. If the offices of clerk and treasurer are combined and the town's annual revenue is \$100,000 or less, the town board shall provide for an audit of the town's financial affairs by the state auditor or a public accountant in accordance with minimum audit procedures prescribed by the state auditor at least once every five years, which audit shall be for a one-year period to be determined at random by the person conducting the audit. Upon completion of an audit by a public accountant, the public accountant shall forward a copy of the audit to the state auditor. For purposes of this subdivision, "public accountant" means a certified public accountant or a certified public accounting firm licensed by the board of accountancy under chapter 326A.

Presented to the governor May 15, 2003

Signed by the governor May 19, 2003, 11:34 a.m.

CHAPTER 61-H.F.No. 1059

An act relating to housing; housing finance agency; making various clarifying, technical, and other changes to agency programs; increasing debt ceiling; extending civil service pilot project; amending Minnesota Statutes 2002, sections 462A.05, by adding a subdivision; 462A.057, subdivision 1; 462A.073, subdivision 2; 462A.21, subdivision 3a; 462A.22, subdivisions 1, 7; Laws 1993, chapter 301, section 1, subdivision 4, as amended; Laws 1995, chapter 248, article 12, section 2, as amended.

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

Section 1. Minnesota Statutes 2002, section 462A.05, is amended by adding a subdivision to read:

New language is indicated by underline, deletions by strikeout.