

commissioner of administration may, upon the request of the Minnesota Veterans Homes Board, enter into a ground lease of state-owned property on the campus of the Minnesota Veterans Home-Hastings for a lease term not to exceed 60 years at an amount of \$1 per year. The ground lease must limit the use of the leased property for the purpose of establishing permanent supportive housing for the joint benefit of veterans meeting the criteria enumerated in Minnesota Statutes, section 197.447, and residents of Dakota County, and may contain an option for the state to purchase any building or other structures constructed upon the leased property at a price to be agreed to by the state and the entity that owns the buildings or other structures.

Subd. 2. UTILITY AND SUPPORT SERVICES. The Minnesota Veterans Homes Board may contract to provide utility and other support services to those buildings and additional structures that are constructed on the leased property referred to in subdivision 1 and program services to the occupants of those buildings and additional structures at a rate to be established by the board.

Presented to the governor April 20, 2004

Signed by the governor April 22, 2004, 4:30 p.m.

CHAPTER 161—S.F.No. 2903

An act relating to local government; increasing the threshold amount for towns required to have annual audits; amending Minnesota Statutes 2002, section 471.697, subdivision 1.

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

Section 1. Minnesota Statutes 2002, section 471.697, subdivision 1, is amended to read:

Subdivision 1. **ALL OPERATIONS EXCEPT SOME HOSPITALS, NURSING HOMES.** In any city with a population of more than 2,500 according to the latest federal census, or town with a population of more than 2,500 according to the latest federal census with an annual revenue of \$500,000 (1) \$670,500 or more in 2004, or (2) \$670,500 adjusted for inflation using the annual implicit price deflator for state and local expenditures as published by the United States Department of Commerce in 2005 and after, the city clerk, chief financial officer, town clerk, or town clerk-treasurer shall:

(a) Prepare a financial report covering the city's or town's operations including operations of municipal hospitals and nursing homes, liquor stores, and public utility commissions during the preceding fiscal year after the close of the fiscal year. Cities shall publish the report or a summary of the report, in a form as prescribed by the state auditor, in a qualified newspaper of general circulation in the city or, if there is none, post copies in three of the most public places in the city, no later than 30 days after the report is due in the office of the state auditor. The report shall contain financial

New language is indicated by underline, deletions by ~~strikeout~~.

statements and disclosures which present the city's or town's financial position and the results of city or town operations in conformity with generally accepted accounting principles. The report shall include such information and be in such form as may be prescribed by the state auditor;

(b) File the financial report in the clerk's or financial officer's office for public inspection and present it to the city council or town board after the close of the fiscal year. One copy of the financial report shall be furnished to the state auditor after the close of the fiscal year; and

(c) Submit to the state auditor audited financial statements which have been attested to by a certified public accountant, public accountant, or the state auditor within 180 days after the close of the fiscal year, except that the state auditor may upon request of a city or town and a showing of inability to conform, extend the deadline. The state auditor may accept this report in lieu of the report required in clause (b). A copy of the audited financial statement along with any management letter or other written findings or comments by the auditor must be provided to each city council member and the mayor, or to each town board member, no later than 30 days after the report is required to be submitted to the state auditor and presented at a scheduled meeting of the city council or town board prior to October 31 of the year in which the report is submitted to the state auditor.

A municipal hospital or nursing home established before June 6, 1979, whose fiscal year is not a calendar year on August 1, 1980, is not subject to this subdivision but shall submit to the state auditor a detailed statement of its financial affairs audited by a certified public accountant, a public accountant or the state auditor no later than 120 days after the close of its fiscal year. It may also submit a summary financial report for the calendar year.

Presented to the governor April 20, 2004

Signed by the governor April 22, 2004, 5:30 p.m.

CHAPTER 162—H.F.No. 1983

An act relating to commerce; enacting the revisions to the general provisions of the Uniform Commercial Code and enacting a revised Article 7 of the Uniform Commercial Code recommended by the National Conference of Commissioners on Uniform State Laws; making conforming changes; amending provisions in Articles 3 and 4 of the Uniform Commercial Code relating to warranties on remotely created items; amending Minnesota Statutes 2002, sections 17.94; 84.787, subdivision 9; 84.797, subdivision 10; 84.92, subdivision 6; 86B.820, subdivision 12; 168A.01, subdivision 20; 234.27; 325L.03; 325L.16; 336.2-103; 336.2-104; 336.2-202; 336.2-310; 336.2-323; 336.2-401; 336.2-503; 336.2-505; 336.2-506; 336.2-509; 336.2-605; 336.2-705; 336.2A-103; 336.2A-501; 336.2A-514; 336.2A-518; 336.2A-519; 336.2A-526; 336.2A-527; 336.2A-528; 336.4-210; 336.4A-105; 336.4A-106; 336.4A-204; 336.5-103; 336.8-102; 336.8-103; 336.9-102; 336.9-203; 336.9-207; 336.9-208; 336.9-301; 336.9-310; 336.9-312;

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