

1.1 ..... moves to amend H.F. No. 2098, the delete everything amendment  
1.2 (H2098DE1), as follows:

1.3 Page 5, after line 19, insert:

1.4 "Sec. .... Minnesota Statutes 2024, section 367.36, subdivision 1, is amended to read:

1.5 Subdivision 1. **Transition; audit.** (a) In a town in which option D is adopted, the  
1.6 incumbent treasurer shall continue in office until the expiration of the term. Thereafter, or  
1.7 at any time a vacancy other than a temporary vacancy under section 367.03 occurs in the  
1.8 position, the duties of the treasurer prescribed by law shall be performed by the clerk who  
1.9 shall be referred to as the clerk-treasurer. If option D is adopted at an election in which the  
1.10 treasurer is also elected, the election of the treasurer's position is void.

1.11 (b) If the offices of clerk and treasurer are combined and the town's annual revenue is  
1.12 more than the amount in paragraph (c), the town board shall provide for an annual audit of  
1.13 the town's financial affairs by the state auditor or a public accountant in accordance with  
1.14 minimum audit procedures prescribed by the state auditor. If the offices of clerk and treasurer  
1.15 are combined and the town's annual revenue is the amount in paragraph (c) or less, the town  
1.16 board shall provide for an audit of the town's financial affairs by the state auditor or a public  
1.17 accountant in accordance with minimum audit procedures prescribed by the state auditor  
1.18 at least once every five years, which audit shall be for a one-year period to be determined  
1.19 at random by the person conducting the audit. Upon completion of an audit by a public  
1.20 accountant, the public accountant shall forward a copy of the audit to the state auditor. For  
1.21 purposes of this subdivision, "public accountant" means a certified public accountant or a  
1.22 certified public accounting firm licensed in accordance with chapter 326A.

1.23 (c) For the purposes of paragraph (b), the amount in ~~2004~~ 2025 is ~~\$150,000~~ \$1,000,000,  
1.24 and ~~in 2005 and after, \$150,000~~ is adjusted annually thereafter for inflation using the annual

2.1 implicit price deflator for state and local expenditures as published by the United States  
2.2 Department of Commerce.

2.3 **EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to audits  
2.4 performed for 2026 and thereafter."

2.5 Page 6, after line 17, insert:

2.6 "Sec. .... Minnesota Statutes 2024, section 412.02, subdivision 3, is amended to read:

2.7 Subd. 3. **Clerk, treasurer combined; audit standards.** (a) In cities operating under  
2.8 the standard plan of government the council may by ordinance adopted at least 60 days  
2.9 before the next regular city election combine the offices of clerk and treasurer in the office  
2.10 of clerk-treasurer, but such an ordinance shall not be effective until the expiration of the  
2.11 term of the incumbent treasurer or when an earlier vacancy occurs. After the effective date  
2.12 of the ordinance, the duties of the treasurer and deputy treasurer as prescribed by this chapter  
2.13 shall be performed by the clerk-treasurer or a duly appointed deputy. The offices of clerk  
2.14 and treasurer may be reestablished by ordinance.

2.15 (b) If the offices of clerk and treasurer are combined as provided by this section and the  
2.16 city's annual revenue for all governmental and enterprise funds combined is more than the  
2.17 amount in paragraph (c), the council shall provide for an annual audit of the city's financial  
2.18 affairs by the state auditor or a public accountant in accordance with minimum auditing  
2.19 procedures prescribed by the state auditor. If the offices of clerk and treasurer are combined  
2.20 and the city's annual revenue for all governmental and enterprise funds combined is the  
2.21 amount in paragraph (c), or less, the council shall provide for an audit of the city's financial  
2.22 affairs by the state auditor or a public accountant in accordance with minimum audit  
2.23 procedures prescribed by the state auditor at least once every five years, which audit shall  
2.24 be for a one-year period to be determined at random by the person conducting the audit.

2.25 (c) For the purposes of paragraph (b), the amount in ~~2004~~ 2025 is ~~\$150,000~~ \$1,000,000,  
2.26 and ~~in 2005 and after, \$150,000~~ is adjusted annually thereafter for inflation using the annual  
2.27 implicit price deflator for state and local expenditures as published by the United States  
2.28 Department of Commerce.

2.29 **EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to audits  
2.30 performed for 2026 and thereafter."

2.31 Page 7, after line 12, insert:

3.1 "Sec. .... Minnesota Statutes 2024, section 412.591, subdivision 3, is amended to read:

3.2 Subd. 3. **Audit standards if combined.** (a) If the offices of clerk and treasurer are  
 3.3 combined as provided by this section, and the city's annual revenue for all governmental  
 3.4 and enterprise funds combined is more than the amount in paragraph (b), the council shall  
 3.5 provide for an annual audit of the city's financial affairs by the state auditor or a certified  
 3.6 public accountant in accordance with minimum procedures prescribed by the state auditor.  
 3.7 If the offices of clerk and treasurer are combined and the city's annual revenue for all  
 3.8 governmental and enterprise funds combined is the amount in paragraph (b), or less, the  
 3.9 council shall provide for an audit of the city's financial affairs by the state auditor or a  
 3.10 certified public accountant in accordance with minimum audit procedures prescribed by the  
 3.11 state auditor at least once every five years, which audit shall be for a one-year period to be  
 3.12 determined at random by the person conducting the audit.

3.13 (b) For the purposes of paragraph (a), the amount in ~~2004~~ 2025 is ~~\$150,000~~ \$1,000,000,  
 3.14 and ~~in 2005 and after, \$150,000~~ is adjusted annually thereafter for inflation using the annual  
 3.15 implicit price deflator for state and local expenditures as published by the United States  
 3.16 Department of Commerce.

3.17 **EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to audits  
 3.18 performed for 2026 and thereafter."

3.19 Page 7, after line 20, insert:

3.20 "Sec. .... Minnesota Statutes 2024, section 477A.017, subdivision 3, is amended to read:

3.21 Subd. 3. **Conformity.** (a) Other law to the contrary notwithstanding, in order to receive  
 3.22 distributions under sections 477A.011 to 477A.03, or a special district aid program, counties  
 3.23 and, cities, towns, and special districts, must conform to the standards set in subdivision 2  
 3.24 in making all financial reports required to be made to the state auditor.

3.25 (b) For the purpose of this subdivision, "special district" has the meaning under section  
 3.26 6.465, subdivision 3.

3.27 **EFFECTIVE DATE.** This section is effective August 1, 2025, and applies to aid  
 3.28 distributions on or after that date."

3.29 Page 7, line 25, before "This" insert "Except as otherwise specified,"

3.30 Renumber the sections in sequence and correct the internal references