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State of Minnesota  
**HOUSE OF REPRESENTATIVES**

EIGHTY-SIXTH  
SESSION

**HOUSE FILE No. 7**

January 12, 2009

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The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform, Technology and Elections

1.1 A bill for an act  
1.2 relating to state government; clarifying and strengthening laws prohibiting  
1.3 misuse of state funds; amending Minnesota Statutes 2008, sections 3.975;  
1.4 16A.139; proposing coding for new law in Minnesota Statutes, chapter 43A.

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

1.6 Section 1. Minnesota Statutes 2008, section 3.975, is amended to read:

1.7 **3.975 DUTIES CONCERNING MISUSE OF PUBLIC MONEY OR OTHER**  
1.8 **RESOURCES.**

1.9 If a legislative auditor's examination discloses that a state official or employee has  
1.10 used money for a purpose other than the purpose for which the money was appropriated  
1.11 or discloses any other misuse of public money or other public resources, the legislative  
1.12 auditor shall file a report with the Legislative Audit Commission, the attorney general, and  
1.13 the appropriate county attorney. The attorney general shall seek recovery of money and  
1.14 other resources as the evidence may warrant. The county attorney shall cause criminal  
1.15 proceedings to be instituted as the evidence may warrant.

1.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1.17 Sec. 2. Minnesota Statutes 2008, section 16A.139, is amended to read:

1.18 **16A.139 MISAPPROPRIATION OF MONEY.**

1.19 It is illegal for any official or head of any state department, or any employee thereof,  
1.20 to intentionally use moneys money appropriated by law, ~~or fees collected~~ knowing that  
1.21 the use is for any other a purpose other than the purpose for which the moneys have  
1.22 money has been appropriated; ~~and~~ Any such intentional and knowing act by any head

2.1 of a department, or any state official, is: (1) cause for immediate removal of the official  
2.2 or head of a state department from the position held with the government of this state;  
2.3 and (2) a gross misdemeanor, and punishable by imprisonment for not more than one year  
2.4 or to payment of a fine of not more than \$3,000, or both.

2.5 **EFFECTIVE DATE.** This section is effective the day following final enactment,  
2.6 and applies to violations committed on or after that date.

2.7 **Sec. 3. [43A.325] BEST PRACTICES FOR INVESTIGATIONS.**

2.8 The attorney general, in consultation with the commissioner of finance, must  
2.9 develop and make available to appointing authorities a best practices policy for  
2.10 conducting investigations in which the appointing authority compels its employees to  
2.11 answer questions about allegedly inappropriate activity. The best practices policy must  
2.12 be designed to facilitate effective investigations, without compromising the ability to  
2.13 prosecute criminal cases when appropriate. Each appointing authority must follow the  
2.14 best practices policy or, in consultation with the attorney general, must develop its own  
2.15 policy for conducting these investigations.

2.16 **EFFECTIVE DATE.** This section is effective the day following final enactment.