



# Association of Minnesota Counties

**FOR IMMEDIATE RELEASE**  
April 19, 2018

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## **Counties Applaud Minnesota Supreme Court's Decision Rejecting State Auditor's Lawsuit in Favor of Local Governments and Taxpayers**

(St. Paul, MN)--- The Association of Minnesota Counties (AMC) applauds yesterday's ruling by the Minnesota Supreme Court upholding the 2015 legislation that allows counties the *option* to have their required audits performed by either the Office of the State Auditor (OSA) or a Certified Public Accounting (CPA) firm. This ruling ends the legal battle that began three years ago when State Auditor Rebecca Otto sued Becker, Ramsey and Wright counties after they refused to sign three-year contracts with her office after the law passed. The court's ruling to uphold the law confirms that counties have the same authority to use private CPA firms that cities, townships, and school districts have already had for years.

This issue has been an AMC priority for years and the law enacting it was supported in a bipartisan fashion at the Legislature. The core objective of the legislation provides counties with the flexibility to conduct business in the name of efficiency and taxpayer savings while still faithfully adhering to the requirements of full and thorough audits of public finances.

"Minnesota counties trust that this decision by Minnesota's Supreme Court ends the OSA's legal pursuits in this matter," said AMC Executive Director Julie Ring. "Counties are pleased that they will no longer be singled out as being responsible for funding a significant portion of a constitutional office."

The OSA filed the lawsuit questioning the constitutionality of the legislation. After several years in court, yesterday's decision affirmed that the Court of Appeals' decision, which said that because the State Auditor's Office retains significant duties and responsibilities in connection with audits of Minnesota counties, the law passed in 2015 allowing counties to pursue required audits by either the OSA or a private CPA firm does *not* violate the Separation of Powers Clause. Each argument, proposition, and request for relief contained in the lawsuit filed by the Minnesota State Auditor over this legislation has been rejected by the courts at all levels and on every point contained in the suit. It is AMC's hope that this latest ruling firmly and finally puts the issue to rest and further action to slow the implementation of the law will not be pursued by the OSA.

"It's no secret that counties have been frustrated by the long, costly, drawn-out legal fight carried out by the State Auditor," Ring said. "We are thankful for the bipartisan work of the Legislature and the full backing of our judicial system in addressing inadequacies and inequality in the annual auditing system."

"In the end, Minnesota counties will be able to make decisions that ensure the best audit quality and price to our residents while also guaranteeing that the OSA still holds the final review." Ring added. "We look forward to working with the OSA to implement the 2015 law now that the court case is completed."

The taxpayers of the state of Minnesota have footed the bill for the State Auditor's lawsuit and its subsequent appeals, as it been reported that the OSA spent roughly \$250,000 fighting the legislation in court and that Wright, Becker and Ramsey counties have had to spend close to \$140,000 to defend themselves against the State Auditor's lawsuit.

AMC has been serving Minnesota's 87 counties since 1909. AMC is a voluntary statewide organization that assists the state's 87 counties in providing effective county governance to the people of Minnesota. The association works closely with the legislative and administrative branches of government in seeing that legislation and policies favorable to counties are enacted. In addition, the association provides educational programs, training, research and communications for county officials.

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