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March 3, 2023

Chair Matt Klein  
Senate Commerce and Consumer Protection Committee  
RE: Senate File 1866  
95 University Avenue W.  
Minnesota Senate Building, Room 2105  
St. Paul, MN 55155

Dear Chair Klein,

Thank you and the Committee Members for the opportunity to submit written testimony in support of Senate File 1866, specifically the repeal of the Annual Audit Requirement under Statute 48.10.

As a fourth-generation community banker working in our industry for over 25 years I have seen many changes. The regulatory burden continues to mount and this bill presents the Legislature an opportunity to repeal a statute that is very antiquated and no longer serves a purpose to the consumers or our industry as a whole. Banking regulations already require a robust internal audit program which is scrutinized thoroughly through frequent examinations by both the MN Department of Commerce and Federal Deposit Insurance Corporation. The audit requirement under Statute 48.10 not only adds an unnecessary significant financial impact, it carries with it an opportunity cost of consuming many hours of management that should be spent focusing on providing the products and services our community deserves.

Furthermore, the State Chartered Credit Unions do not have a similar requirement for audits. Not only do they benefit from tax-exempt status but they avoid the burdens of this as well. By repealing Statute 48.10 it would be one small step in leveling the playing field between two industries that offer the same services within the same communities.

Minnesota is one of only a few states that consumers have many options to choose from when it comes to their banking needs. I urge you to support this bill so us as community bankers can remain competitive against the mega banks on every corner.

Respectfully,

Rowdy Dorweiler  
President

CC: Members of the Senate Commerce and Consumer Protection Committee

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