

1.1 ..... moves to amend H.F. No. 723, the first engrossment, as follows:

1.2 Page 118, after line 24, insert:

1.3 "Sec. 2. Minnesota Statutes 2008, section 423A.02, subdivision 1, is amended to read:

1.4 Subdivision 1. **Amortization state aid.** (a) A municipality in which is located  
1.5 a local police or salaried firefighters' relief association to which the provisions of  
1.6 section 69.77, apply, that had an unfunded actuarial accrued liability in the most recent  
1.7 relief association actuarial valuation, is entitled, upon application as required by the  
1.8 commissioner of revenue, to receive local police and salaried firefighters' relief association  
1.9 amortization state aid if the municipality and the appropriate relief association both comply  
1.10 with the applicable provisions of sections 69.031, subdivision 5, 69.051, subdivisions 1  
1.11 and 3, and 69.77. ~~If a municipality loses entitlement for amortization state aid in any year  
1.12 because its local relief association no longer has an unfunded actuarial accrued liability,  
1.13 the municipality is not entitled to amortization state aid in any subsequent year.~~

1.14 (b) The total amount of amortization state aid to all entitled municipalities must  
1.15 not exceed \$5,055,000.

1.16 (c) Subject to the adjustment for the city of Minneapolis provided in this paragraph,  
1.17 the amount of amortization state aid to which a municipality is entitled annually is an  
1.18 amount equal to the level annual dollar amount required to amortize, by December 31,  
1.19 2010, the unfunded actuarial accrued liability of the special fund of the appropriate  
1.20 relief association as reported in the December 31, 1978, actuarial valuation of the  
1.21 relief association prepared under sections 356.215 and 356.216, reduced by the dollar  
1.22 amount required to pay the interest on the unfunded actuarial accrued liability of the  
1.23 special fund of the relief association for calendar year 1981 set at the rate specified in  
1.24 Minnesota Statutes 1978, section 356.215, subdivision 8. For the city of Minneapolis, the  
1.25 amortization state aid amount thus determined must be reduced by \$747,232 on account of  
1.26 the Minneapolis Police Relief Association and by \$772,768 on account of the Minneapolis  
1.27 Fire Department Relief Association. If the amortization state aid amounts determined

2.1 under this paragraph exceed the amount appropriated for this purpose, the amortization  
2.2 state aid for actual allocation must be reduced pro rata.

2.3 (d) Payment of amortization state aid to municipalities must be made directly to  
2.4 the municipalities involved in three equal installments on July 15, September 15, and  
2.5 November 15 annually. Upon receipt of amortization state aid, the municipal treasurer  
2.6 shall transmit the aid amount to the treasurer of the local relief association for immediate  
2.7 deposit in the special fund of the relief association.

2.8 (e) The commissioner of revenue shall prescribe and periodically revise the form for  
2.9 and content of the application for the amortization state aid.

2.10 Sec. 3. Minnesota Statutes 2008, section 423A.02, subdivision 3, is amended to read:

2.11 Subd. 3. **Reallocation of amortization or supplementary amortization state**  
2.12 **aid.** (a) Seventy percent of the difference between \$5,720,000 and the current year  
2.13 amortization aid or supplemental amortization aid distributed under subdivisions 1 and 1a  
2.14 that is not distributed for any reason to a municipality for use by a local police or salaried  
2.15 fire relief association must be distributed by the commissioner of revenue according to this  
2.16 paragraph. The commissioner shall distribute ~~70~~ 50 percent of the amounts derived under  
2.17 this paragraph to the Teachers Retirement Association, 10 percent to the Duluth Teachers  
2.18 Retirement Fund Association, and ~~30~~ 40 percent to the St. Paul Teachers Retirement Fund  
2.19 Association to fund the unfunded actuarial accrued liabilities of the respective funds.  
2.20 These payments shall be made on or before June 30 each fiscal year. The amount required  
2.21 under this paragraph is appropriated annually from the general fund to the commissioner  
2.22 of revenue. If the St. Paul Teachers Retirement Fund Association becomes fully funded,  
2.23 its eligibility for this aid ceases. Amounts remaining in the undistributed balance account  
2.24 at the end of the biennium if aid eligibility ceases cancel to the general fund.

2.25 (b) In order to receive amortization and supplementary amortization aid under  
2.26 paragraph (a), Independent School District No. 625, St. Paul, must make contributions  
2.27 to the St. Paul Teachers Retirement Fund Association in accordance with the following  
2.28 schedule:

2.29	Fiscal Year	Amount
2.30	1996	\$ 0
2.31	1997	\$ 0
2.32	1998	\$ 200,000
2.33	1999	\$ 400,000
2.34	2000	\$ 600,000
2.35	2001 and thereafter	\$ 800,000

3.1 (c) Special School District No. 1, Minneapolis, and the city of Minneapolis must  
 3.2 each make contributions to the Teachers Retirement Association in accordance with the  
 3.3 following schedule:

3.4	Fiscal Year	City amount	School district amount
3.5			
3.6	1996	\$ 0	\$ 0
3.7	1997	\$ 0	\$ 0
3.8	1998	\$ 250,000	\$ 250,000
3.9	1999	\$ 400,000	\$ 400,000
3.10	2000	\$ 550,000	\$ 550,000
3.11	2001	\$ 700,000	\$ 700,000
3.12	2002	\$ 850,000	\$ 850,000
3.13	2003 and thereafter	\$ 1,000,000	\$ 1,000,000

3.14 (d) Money contributed under paragraph (a) and either paragraph (b) or (c), as  
 3.15 applicable, must be credited to a separate account in the applicable teachers retirement  
 3.16 fund and may not be used in determining any benefit increases. The separate account  
 3.17 terminates for a fund when the aid payments to the fund under paragraph (a) cease.

3.18 (e) Thirty percent of the difference between \$5,720,000 and the current year  
 3.19 amortization aid or supplemental amortization aid under subdivisions 1 and 1a that is not  
 3.20 distributed for any reason to a municipality for use by a local police or salaried firefighter  
 3.21 relief association must be distributed under section 69.021, subdivision 7, paragraph (d),  
 3.22 as additional funding to support a minimum fire state aid amount for volunteer firefighter  
 3.23 relief associations. The amount required under this paragraph is appropriated annually to  
 3.24 the commissioner of revenue. "

3.25 Renumber the sections in sequence and correct the internal references

3.26 Amend the title accordingly