

1.1 ..... moves to amend S.F. No. 545; H.F. No. 565, the delete everything  
1.2 amendment (S0545-2A) as follows:

1.3 Page 108, after line 14, insert:

1.4 **"ARTICLE 8**

1.5 **ELIMINATION OF FIRE STATE AID**

1.6 Section 1. Minnesota Statutes 2016, section 69.011, subdivision 1, is amended to read:

1.7 Subdivision 1. **Definitions.** Unless the language or context clearly indicates that a  
1.8 different meaning is intended, the following words and terms, for the purposes of this chapter  
1.9 and chapters 423, 423A, and 424 ~~and 424A~~, have the meanings ascribed to them:

1.10 (a) "Commissioner" means the commissioner of revenue.

1.11 (b) "Municipality" means:

1.12 (1) a home rule charter or statutory city;

1.13 (2) an organized town;

1.14 (3) a park district subject to chapter 398;

1.15 (4) the University of Minnesota;

1.16 ~~(5) for purposes of the fire state aid program only, an American Indian tribal government~~  
1.17 ~~entity located within a federally recognized American Indian reservation;~~

1.18 ~~(6)~~ (5) for purposes of the police state aid program only, an American Indian tribal  
1.19 government with a tribal police department which exercises state arrest powers under section  
1.20 626.90, 626.91, 626.92, or 626.93;

1.21 ~~(7)~~ (6) for purposes of the police state aid program only, the Metropolitan Airports  
1.22 Commission; and

1.23 ~~(8)~~ (7) for purposes of the police state aid program only, the Department of Natural  
1.24 Resources and the Department of Public Safety with respect to peace officers covered under  
1.25 chapter 352B.

1.26 ~~(e) "Minnesota Firetown Premium Report" means a form prescribed by the commissioner~~  
1.27 ~~containing space for reporting by insurers of fire, lightning, sprinkler leakage and extended~~  
1.28 ~~coverage premiums received upon risks located or to be performed in this state less return~~  
1.29 ~~premiums and dividends.~~

2.1 ~~(d) "Firetown" means the area serviced by any municipality having a qualified fire~~  
2.2 ~~department or a qualified incorporated fire department having a subsidiary volunteer~~  
2.3 ~~firefighters' relief association.~~

2.4 ~~(e)~~ (c) "Estimated market value" means latest available estimated market value of all  
2.5 property in a taxing jurisdiction, whether the property is subject to taxation, or exempt from  
2.6 ad valorem taxation obtained from information which appears on abstracts filed with the  
2.7 commissioner of revenue or equalized by the State Board of Equalization.

2.8 ~~(f)~~ (d) "Minnesota Aid to Police Premium Report" means a form prescribed by the  
2.9 commissioner for reporting by each fire and casualty insurer of all premiums received upon  
2.10 direct business received by it in this state, or by its agents for it, in cash or otherwise, during  
2.11 the preceding calendar year, with reference to insurance written for insuring against the  
2.12 perils contained in auto insurance coverages as reported in the Minnesota business schedule  
2.13 of the annual financial statement which each insurer is required to file with the commissioner  
2.14 in accordance with the governing laws or rules less return premiums and dividends.

2.15 ~~(g)~~ (e) "Peace officer" means any person:

2.16 (1) whose primary source of income derived from wages is from direct employment by  
2.17 a municipality or county as a law enforcement officer on a full-time basis of not less than  
2.18 30 hours per week;

2.19 (2) who has been employed for a minimum of six months prior to December 31 preceding  
2.20 the date of the current year's certification under subdivision 2, paragraph (b);

2.21 (3) who is sworn to enforce the general criminal laws of the state and local ordinances;

2.22 (4) who is licensed by the Peace Officers Standards and Training Board and is authorized  
2.23 to arrest with a warrant; and

2.24 (5) who is a member of the State Patrol retirement plan or the public employees police  
2.25 and fire fund.

2.26 ~~(h)~~ (f) "Full-time equivalent number of peace officers providing contract service" means  
2.27 the integral or fractional number of peace officers which would be necessary to provide the  
2.28 contract service if all peace officers providing service were employed on a full-time basis  
2.29 as defined by the employing unit and the municipality receiving the contract service.

2.30 ~~(i) "Retirement benefits other than a service pension" means any disbursement authorized~~  
2.31 ~~under section 424A.05, subdivision 3, clauses (3) and (4).~~

3.1 ~~(j)~~ (g) For the police state aid program, "municipal clerk, municipal clerk-treasurer, or  
3.2 county auditor" means:

3.3 ~~(1) for the police state aid program:~~

3.4 ~~(i)~~ (1) the person who was elected or appointed to the specified position or, in the absence  
3.5 of the person, another person who is designated by the applicable governing body;

3.6 ~~(ii)~~ (2) in a park district, the secretary of the board of park district commissioners;

3.7 ~~(iii)~~ (3) in the case of the University of Minnesota, the official designated by the Board  
3.8 of Regents;

3.9 ~~(iv)~~ (4) for the Metropolitan Airports Commission, the person designated by the  
3.10 commission; and

3.11 ~~(v)~~ (5) for the Department of Natural Resources or the Department of Public Safety, the  
3.12 respective commissioner;

3.13 ~~(vi)~~ (6) for a tribal police department which exercises state arrest powers under section  
3.14 626.90, 626.91, 626.92, or 626.93, the person designated by the applicable American Indian  
3.15 tribal government; and

3.16 ~~(2) for the fire state aid program and fire relief association financial reports, the person  
3.17 who was elected or appointed to the specified position, or, for governmental entities other  
3.18 than counties, if the governing body of the governmental entity designates the position to  
3.19 perform the function, the chief financial official of the governmental entity or the chief  
3.20 administrative official of the governmental entity.~~

3.21 ~~(k) "Voluntary statewide lump-sum volunteer firefighter retirement plan" means the  
3.22 retirement plan established by chapter 353G.~~

3.23 Sec. 2. Minnesota Statutes 2016, section 69.011, subdivision 2, is amended to read:

3.24 Subd. 2. **Qualification for fire or police state aid.** ~~(a) Unless retirement coverage is  
3.25 provided by the voluntary statewide lump-sum volunteer firefighter retirement plan, in order  
3.26 to qualify to receive fire state aid, on or before March 15 annually, in conjunction with the  
3.27 financial report required pursuant to section 69.051, the clerk of each municipality having  
3.28 a duly organized fire department as provided in subdivision 4, or the secretary of each  
3.29 independent nonprofit firefighting corporation having a subsidiary incorporated firefighters'  
3.30 relief association, whichever is applicable, and the fire chief, shall jointly certify the existence  
3.31 of the municipal fire department or of the independent nonprofit firefighting corporation,  
3.32 whichever is applicable, which meets the minimum qualification requirements set forth in~~

4.1 ~~this subdivision, and the fire personnel and equipment of the municipal fire department or~~  
 4.2 ~~the independent nonprofit firefighting corporation as of the preceding December 31.~~

4.3 ~~(b) Where retirement coverage is provided by the voluntary statewide lump-sum volunteer~~  
 4.4 ~~firefighter retirement plan, in order to qualify to receive fire state aid, on or before March~~  
 4.5 ~~15, annually, the executive director of the Public Employees Retirement Association shall~~  
 4.6 ~~certify the existence of that coverage for each municipality and the municipal clerk or~~  
 4.7 ~~independent nonprofit firefighting corporation secretary, whichever applies, and the~~  
 4.8 ~~applicable fire chief shall certify the fire personnel and fire department equipment as of the~~  
 4.9 ~~preceding December 31.~~

4.10 ~~(e)~~ (a) Except as provided in subdivision 2b, on or before March 15 annually, in order  
 4.11 to qualify to receive police state aid, the clerk of each municipality and the auditor of each  
 4.12 county employing one or more peace officers as defined in subdivision 1, paragraph (g),  
 4.13 shall certify the number of such peace officers to the commissioner on forms prescribed by  
 4.14 the commissioner. Credit for officers employed less than a full year must be apportioned.  
 4.15 Each full month of employment of a qualifying officer during the calendar year entitles the  
 4.16 employing municipality or county to credit for 1/12 of the payment for employment of a  
 4.17 peace officer for the entire year. For purposes of sections 69.011 to 69.051, employment of  
 4.18 a peace officer commences when the peace officer is entered on the payroll of the respective  
 4.19 municipal police department or county sheriff's department. No peace officer may be included  
 4.20 in the certification of the number of peace officers by more than one employing unit for the  
 4.21 same month.

4.22 ~~(d)~~ (b) A certification made under this subdivision must be filed with the commissioner,  
 4.23 must be made on a form prescribed by the commissioner, and must include any other facts  
 4.24 that the commissioner requires.

4.25 Sec. 3. Minnesota Statutes 2016, section 69.011, subdivision 2b, is amended to read:

4.26 Subd. 2b. **Departments of Natural Resources and Public Safety.** (a) On or before  
 4.27 each March 15, the commissioner of natural resources shall certify the number of peace  
 4.28 officers as defined in subdivision 1, clause ~~(g)~~ (e), employed by the Enforcement Division  
 4.29 and the commissioner of public safety shall certify the number of peace officers as defined  
 4.30 in subdivision 1, clause ~~(g)~~ (e), employed by the Bureau of Criminal Apprehension, the  
 4.31 Gambling Enforcement Division, and the State Patrol Division.

4.32 (b) The certification must be on a form prescribed by the commissioner. Peace officers  
 4.33 certified under this paragraph must be included in the total certifications under subdivision  
 4.34 2.

5.1 Sec. 4. Minnesota Statutes 2016, section 69.011, subdivision 3, is amended to read:

5.2 Subd. 3. **Failure to file certificate deemed waiver.** (a) If a certification required by this  
5.3 section is not filed with the commissioner by the due date prescribed by this section, the  
5.4 commissioner shall notify the county, or the municipality, ~~or the nonprofit firefighting~~  
5.5 ~~corporation~~ that a portion or all of its current year aid will be forfeited if the certification is  
5.6 not received within ten days.

5.7 (b) The amount of aid forfeited is equal to the amount of state police aid ~~or state fire aid~~  
5.8 determined for the county, or the municipality, ~~or the nonprofit firefighting corporation~~ for  
5.9 the current year, multiplied by five percent for each week or fraction of a week that this  
5.10 certification is late. The penalty must be computed beginning ten days after the postmark  
5.11 date of the commissioner's notification as required under this subdivision. All forfeited aid  
5.12 amounts revert to the general fund in the state treasury. Failure to receive the certificate  
5.13 form may not be used as a defense for a failure to file.

5.14 Sec. 5. Minnesota Statutes 2016, section 69.021, subdivision 1, is amended to read:

5.15 Subdivision 1. ~~Minnesota Firetown Premium Report and Minnesota Aid to Police~~  
5.16 **Premium Report.** The commissioner shall, at the time of mailing tax forms, send blank  
5.17 copies of the ~~Minnesota Firetown Premium Report and when applicable the Minnesota Aid~~  
5.18 ~~to Police Premium Report~~ to each insurer, including township and farmers mutual insurance  
5.19 companies licensed to write insurance as described in section 69.011, subdivision 1, ~~clauses~~  
5.20 ~~(e) and (f)~~ clause (d) in this state. These reports must contain space for the insurers name,  
5.21 address, gross premiums less return premiums, dividends, net premiums, certification and  
5.22 other facts that the commissioner may require.

5.23 Sec. 6. Minnesota Statutes 2016, section 69.021, subdivision 2, is amended to read:

5.24 Subd. 2. **Report of premiums.** (a) Each insurer, including township and farmers mutual  
5.25 insurers where applicable, shall return to the commissioner the ~~reports~~ report described in  
5.26 subdivision 1 certified by its secretary and president or chief financial officer.

5.27 ~~(b) The Minnesota Firetown Premium Report must contain a true and accurate statement~~  
5.28 ~~of the total premium for all gross direct fire, lightning, sprinkler leakage, and extended~~  
5.29 ~~coverage insurance of all domestic mutual insurers and the total premiums for all gross~~  
5.30 ~~direct fire, lightning, sprinkler leakage and extended coverage insurance of all other insurers,~~  
5.31 ~~less return premiums and dividends received by them on that business written or done during~~  
5.32 ~~the preceding calendar year upon property located within the state or brought into the state~~  
5.33 ~~for temporary use. The fire and extended coverage portion of multiperil and multiple peril~~

6.1 ~~package premiums and all other combination premiums must be determined by applying~~  
6.2 ~~percentages determined by the commissioner or by rating bureaus recognized by the~~  
6.3 ~~commissioner.~~

6.4 ~~(e)~~ (b) The Minnesota Aid to Police Premium Report must contain a true and accurate  
6.5 statement of the total premiums, less return premiums and dividends, on all direct business  
6.6 received by such insurer in this state, or by its agents for it, in cash or otherwise, during the  
6.7 preceding calendar year, with reference to insurance written for perils described in section  
6.8 69.011, subdivision 1, clause ~~(f)~~ (d).

6.9 Sec. 7. Minnesota Statutes 2016, section 69.021, subdivision 3, is amended to read:

6.10 Subd. 3. **Penalty for fraudulent, incorrect, incomplete returns and late filing of**  
6.11 **report.** (a) When it appears to the commissioner that any insurer has made an incomplete  
6.12 or inaccurate report, the commissioner shall return the report and demand that a complete  
6.13 and accurate report be filed. If the insurer fails to file a report on or before March 1, annually,  
6.14 the insurer is liable and shall pay \$25 for each seven days, or fraction thereof, that the report  
6.15 is delinquent, but not to exceed \$200. If the insurer fails to file a corrected report within 30  
6.16 days after demand, the insurer is liable for the penalties provided in paragraph (b) ~~or (e)~~ for  
6.17 knowingly filing an inaccurate or false report.

6.18 (b) Any insurer which knowingly makes and files an inaccurate or false report is liable  
6.19 to a fine in an amount of not less than \$25 nor more than \$1,000, as determined by the  
6.20 commissioner, and additionally the commissioner of commerce may revoke the insurer's  
6.21 certificate of authority.

6.22 (c) Any person whose duty it is to make the report who fails or refuses to make it within  
6.23 30 days after notification by the commissioner shall be fined an amount of not more than  
6.24 \$1,000.

6.25 (d) Failure of the insurer to receive a reporting form does not excuse the insurer from  
6.26 filing the report.

6.27 Sec. 8. Minnesota Statutes 2016, section 69.021, subdivision 4, is amended to read:

6.28 Subd. 4. **Determination of qualified state aid recipients; certification to commissioner**  
6.29 **of management and budget.** (a) The commissioner shall determine which municipalities  
6.30 and ~~independent nonprofit firefighting corporations are qualified to receive fire state aid~~  
6.31 ~~directly or are qualified to receive the benefit of fire state aid paid to the voluntary statewide~~

7.1 ~~lump-sum volunteer firefighter retirement plan and which municipalities and counties are~~  
 7.2 ~~qualified to receive police state aid.~~

7.3 (b) The commissioner shall determine qualification for state aid upon receipt of:

7.4 (1) ~~the fire department personnel and equipment certification or the police department~~  
 7.5 ~~and qualified peace officers certificate, whichever applies, required under section 69.011;~~

7.6 (2) the financial compliance report required under section 6.495, subdivision 3, if  
 7.7 applicable; and

7.8 (3) any other relevant information which comes to the attention of the commissioner.

7.9 (c) Upon completion of the determination, on or before October 1, the commissioner  
 7.10 shall calculate the amount of ~~(1) the police state aid which each county or municipality is~~  
 7.11 ~~to receive under subdivisions 5, 6, 7a, and 10; and~~

7.12 ~~(2) the fire state aid which each municipality or nonprofit firefighting corporation is to~~  
 7.13 ~~receive under subdivisions 5 and 7.~~

7.14 (d) The commissioner shall certify to the commissioner of management and budget the  
 7.15 name of each county or municipality, and the amount of state aid which each county or  
 7.16 municipality is to receive, in the case of police state aid. ~~The commissioner shall certify to~~  
 7.17 ~~the commissioner of management and budget the name of each municipality or independent~~  
 7.18 ~~nonprofit firefighting corporation and the amount of state aid which each municipality or~~  
 7.19 ~~independent nonprofit firefighting corporation is to receive directly or the amount of state~~  
 7.20 ~~aid which the voluntary statewide lump-sum volunteer firefighter retirement plan is qualified~~  
 7.21 ~~to receive on behalf of the municipality or corporation, in the case of fire state aid.~~

7.22 Sec. 9. Minnesota Statutes 2016, section 69.021, subdivision 5, is amended to read:

7.23 **Subd. 5. Calculation of state aid.** ~~(a) The amount of fire state aid available for~~  
 7.24 ~~apportionment, before the addition of the minimum fire state aid allocation amount under~~  
 7.25 ~~subdivision 7, is equal to 107 percent of the amount of premium taxes paid to the state upon~~  
 7.26 ~~the fire, lightning, sprinkler leakage, and extended coverage premiums reported to the~~  
 7.27 ~~commissioner by insurers on the Minnesota Firetown Premium Report. This amount must~~  
 7.28 ~~be reduced by the amount required to pay the state auditor's costs and expenses of the audits~~  
 7.29 ~~or exams of the firefighters relief associations.~~

7.30 The total amount for apportionment in respect to fire state aid must not be less than two  
 7.31 percent of the premiums reported to the commissioner by insurers on the Minnesota Firetown  
 7.32 Premium Report after subtracting the following amounts:

8.1 ~~(1) the amount required to pay the state auditor's costs and expenses of the audits or~~  
8.2 ~~exams of the firefighters relief associations; and~~

8.3 ~~(2) one percent of the premiums reported by town and farmers' mutual insurance~~  
8.4 ~~companies and mutual property and casualty companies with total assets of \$5,000,000 or~~  
8.5 ~~less.~~

8.6 ~~(b)~~ (a) The total amount for apportionment as police state aid is equal to 104 percent of  
8.7 the amount of premium taxes paid to the state on the premiums reported to the commissioner  
8.8 by insurers on the Minnesota Aid to Police Premium Report. The total amount for  
8.9 apportionment in respect to the police state aid program must not be less than two percent  
8.10 of the amount of premiums reported to the commissioner by insurers on the Minnesota Aid  
8.11 to Police Premium Report.

8.12 ~~(e)~~ (b) The commissioner shall calculate the percentage of increase or decrease reflected  
8.13 in the apportionment over or under the previous year's available state aid using the same  
8.14 premiums as a basis for comparison.

8.15 ~~(d)~~ (c) In addition to the amount for apportionment of police state aid under paragraph  
8.16 (b), each year \$100,000 must be apportioned for police state aid. An amount sufficient to  
8.17 pay this increase is annually appropriated from the general fund.

8.18 Sec. 10. Minnesota Statutes 2016, section 69.021, subdivision 7a, is amended to read:

8.19 Subd. 7a. **Apportionment of police state aid.** (a) Subject to the reduction provided for  
8.20 under subdivision 10, the commissioner shall apportion the police state aid to each  
8.21 municipality, to each county, and to the Departments of Natural Resources and Public Safety  
8.22 in the following manner:

8.23 (1) for all municipalities maintaining police departments, counties, the Department of  
8.24 Natural Resources, and the Department of Public Safety, the police state aid must be  
8.25 distributed in proportion to the relationship that the total number of peace officers, as  
8.26 determined under section 69.011, subdivision 1, paragraph ~~(g)~~ (e), and subdivision 2,  
8.27 ~~paragraph (b)~~, employed by that employing unit for 12 calendar months and the proportional  
8.28 or fractional number who were employed less than 12 months bears to the total number of  
8.29 peace officers employed by all municipalities, counties, the Departments of Natural Resources  
8.30 and Public Safety, subject to any reduction under subdivision 10;

8.31 (2) for each municipality which contracts with the county for police service, a  
8.32 proportionate amount of the state aid distributed to the county based on the full-time

9.1 equivalent number of peace officers providing contract service to that municipality must  
9.2 be credited against the municipality's contract obligation; and

9.3 (3) for each municipality which contracts with another municipality for police service,  
9.4 a proportionate amount of the state aid distributed to the municipality providing contract  
9.5 service based on the full-time equivalent number of peace officers providing contract service  
9.6 to that municipality on a full-time equivalent basis must be credited against the contract  
9.7 obligation of the municipality receiving contract service.

9.8 (b) Any necessary additional adjustments must be made to subsequent police state aid  
9.9 apportionments.

9.10 Sec. 11. Minnesota Statutes 2016, section 69.021, subdivision 9, is amended to read:

9.11 Subd. 9. **Appeal.** (a) In the event that a municipality, a county, ~~a fire relief association,~~  
9.12 the Department of Natural Resources, or the Department of Public Safety, ~~or the voluntary~~  
9.13 ~~statewide lump-sum volunteer firefighter retirement plan,~~ feels itself to be aggrieved, it may  
9.14 request the commissioner to review and adjust the apportionment of funds within the county  
9.15 in the case of police state aid, or within the state in the case of fire state aid.

9.16 (b) The decision of the commissioner is subject to appeal, review, and adjustment by  
9.17 the district court in the county in which the applicable municipality ~~or fire department~~ is  
9.18 located or by the Ramsey County District Court with respect to the Department of Natural  
9.19 Resources, or the Department of Public Safety, ~~or the voluntary statewide lump-sum volunteer~~  
9.20 ~~firefighter retirement plan.~~

9.21 Sec. 12. Minnesota Statutes 2016, section 69.021, subdivision 10, is amended to read:

9.22 Subd. 10. **Reduction in police state aid apportionment.** (a) The commissioner of  
9.23 revenue shall reduce the apportionment of police state aid under subdivisions 5, paragraph  
9.24 (b), 6, and 7a, for eligible employer units by the amount of any excess police state aid.

9.25 (b) "Excess police state aid" is:

9.26 (1) for counties and for municipalities in which police retirement coverage is provided  
9.27 wholly by the public employees police and fire fund and all police officers are members of  
9.28 the plan governed by sections 353.63 to 353.657, the amount in excess of the employer's  
9.29 total prior calendar year obligation as defined in paragraph (c), as certified by the executive  
9.30 director of the Public Employees Retirement Association;

10.1 (2) for the Metropolitan Airports Commission, the amount in excess of the commission's  
 10.2 total prior calendar year obligation as defined in paragraph (c), as certified by the executive  
 10.3 director of the Public Employees Retirement Association; and

10.4 (3) for the Department of Natural Resources and for the Department of Public Safety,  
 10.5 the amount in excess of the employer's total prior calendar year obligation under section  
 10.6 352B.02, subdivision 1c, for plan members who are peace officers under section 69.011,  
 10.7 subdivision 1, paragraph ~~(g)~~(e), as certified by the executive director of the Minnesota State  
 10.8 Retirement System.

10.9 (c) The employer's total prior calendar year obligation with respect to the public  
 10.10 employees police and fire plan under paragraph (b), clause (1), is the total prior calendar  
 10.11 year obligation under section 353.65, subdivision 3, for police officers as defined in section  
 10.12 353.64, subdivision 2, and the actual total prior calendar year obligation under section  
 10.13 353.65, subdivision 3, for firefighters, as defined in section 353.64, subdivision 3, but not  
 10.14 to exceed for those firefighters the applicable following employer calendar year amount:

10.15	Municipality	Maximum Amount
10.16	Albert Lea	\$54,157.01
10.17	Anoka	10,399.31
10.18	Apple Valley	5,442.44
10.19	Austin	49,864.73
10.20	Bemidji	27,671.38
10.21	Brooklyn Center	6,605.92
10.22	Brooklyn Park	24,002.26
10.23	Burnsville	15,956.00
10.24	Cloquet	4,260.49
10.25	Coon Rapids	39,920.00
10.26	Cottage Grove	8,588.48
10.27	Crystal	5,855.00
10.28	East Grand Forks	51,009.88
10.29	Edina	32,251.00
10.30	Elk River	5,216.55
10.31	Ely	13,584.16
10.32	Eveleth	16,288.27
10.33	Fergus Falls	6,742.00
10.34	Fridley	33,420.64
10.35	Golden Valley	11,744.61
10.36	Hastings	16,561.00

11.1	Hopkins	4,324.23
11.2	International Falls	14,400.69
11.3	Lakeville	782.35
11.4	Lino Lakes	5,324.00
11.5	Little Falls	7,889.41
11.6	Maple Grove	6,707.54
11.7	Maplewood	8,476.69
11.8	Minnetonka	10,403.00
11.9	Montevideo	1,307.66
11.10	Moorhead	68,069.26
11.11	New Hope	6,739.72
11.12	North St. Paul	4,241.14
11.13	Northfield	770.63
11.14	Owatonna	37,292.67
11.15	Plymouth	6,754.71
11.16	Red Wing	3,504.01
11.17	Richfield	53,757.96
11.18	Rosemount	1,712.55
11.19	Roseville	9,854.51
11.20	St. Anthony	33,055.00
11.21	St. Louis Park	53,643.11
11.22	Thief River Falls	28,365.04
11.23	Virginia	31,164.46
11.24	Waseca	11,135.17
11.25	West St. Paul	15,707.20
11.26	White Bear Lake	6,521.04
11.27	Woodbury	3,613.00
11.28	any other municipality	0.00

11.29 (d) The total amount of excess police state aid must be deposited in the excess police  
 11.30 state-aid account in the general fund, administered and distributed as provided in subdivision  
 11.31 11.

11.32 Sec. 13. Minnesota Statutes 2016, section 69.031, subdivision 1, is amended to read:

11.33 Subdivision 1. **Commissioner's warrant.** (a) The commissioner of management and  
 11.34 budget shall issue to the ~~Public Employees Retirement Association on behalf of a~~  
 11.35 ~~municipality or independent nonprofit firefighting corporation that is a member of the~~  
 11.36 ~~voluntary statewide lump-sum volunteer firefighter retirement plan under chapter 353G, to~~

12.1 ~~the~~ Department of Natural Resources, the Department of Public Safety, or the county, or  
12.2 municipality, ~~or independent nonprofit firefighting corporation~~ certified to the commissioner  
12.3 of management and budget by the commissioner a warrant for an amount equal to the amount  
12.4 of ~~fire state aid or~~ police state aid, ~~whichever applies~~, certified for the applicable state aid  
12.5 recipient by the commissioner under section 69.021.

12.6 (b) ~~Fire state aid and~~ Police state aid is payable on October 1 annually. The amount of  
12.7 state aid due and not paid by October 1 accrues interest payable to the state aid recipient at  
12.8 the rate of one percent for each month or part of a month that the amount remains unpaid  
12.9 after October 1.

12.10 Sec. 14. Minnesota Statutes 2016, section 69.031, subdivision 3, is amended to read:

12.11 Subd. 3. **Appropriations.** There is hereby appropriated annually from the state general  
12.12 fund to the commissioner of revenue amounts sufficient to make the police state aid payments  
12.13 ~~and the fire state aid payments~~ specified in this section and section 69.021.

12.14 Sec. 15. Minnesota Statutes 2016, section 69.031, subdivision 5, is amended to read:

12.15 Subd. 5. **Deposit of state aid.** ~~(a) If the municipality or the independent nonprofit~~  
12.16 ~~firefighting corporation is covered by the voluntary statewide lump-sum volunteer firefighter~~  
12.17 ~~retirement plan under chapter 353G, the executive director shall credit the fire state aid~~  
12.18 ~~against future municipal contribution requirements under section 353G.08 and shall notify~~  
12.19 ~~the municipality or independent nonprofit firefighting corporation of the fire state aid so~~  
12.20 ~~credited at least annually. If the municipality or the independent nonprofit firefighting~~  
12.21 ~~corporation is not covered by the voluntary statewide lump-sum volunteer firefighter~~  
12.22 ~~retirement plan, the municipal treasurer shall, within 30 days after receipt, transmit the fire~~  
12.23 ~~state aid to the treasurer of the duly incorporated firefighters' relief association if there is~~  
12.24 ~~one organized and the association has filed a financial report with the municipality. If the~~  
12.25 ~~relief association has not filed a financial report with the municipality, the municipal treasurer~~  
12.26 ~~shall delay transmission of the fire state aid to the relief association until the complete~~  
12.27 ~~financial report is filed. If the municipality or independent nonprofit firefighting corporation~~  
12.28 ~~is not covered by the voluntary statewide lump-sum volunteer firefighter retirement plan,~~  
12.29 ~~if there is no relief association organized, or if the association has dissolved or has been~~  
12.30 ~~removed as trustees of state aid, then the treasurer of the municipality shall deposit the~~  
12.31 ~~money in the municipal treasury and the money may be disbursed only for the purposes and~~  
12.32 ~~in the manner set forth in section 424A.08 or for the payment of the employer contribution~~

13.1 ~~requirement with respect to firefighters covered by the public employees police and fire~~  
 13.2 ~~retirement plan under section 353.65, subdivision 3.~~

13.3 ~~(b)~~ (a) For a municipality in which police retirement coverage is provided by the public  
 13.4 employees police and fire fund and all peace officers are members of the fund, including  
 13.5 municipalities covered by section 353.665, the total state aid must be applied toward the  
 13.6 municipality's employer contribution to the public employees police and fire fund under  
 13.7 sections 353.65, subdivision 3, and 353.665, subdivision 8.

13.8 ~~(e)~~ (b) The county treasurer, upon receipt of the police state aid for the county, shall  
 13.9 apply the total state aid toward the county's employer contribution to the public employees  
 13.10 police and fire fund under section 353.65, subdivision 3.

13.11 ~~(d)~~ (c) The designated Metropolitan Airports Commission official, upon receipt of the  
 13.12 police state aid for the Metropolitan Airports Commission, shall apply the total police state  
 13.13 aid toward the commission's employer contribution for police officers to the public employees  
 13.14 police and fire plan under section 353.65, subdivision 3.

13.15 ~~(e)~~ (d) The police state aid apportioned to the Departments of Public Safety and Natural  
 13.16 Resources under section 69.021, subdivision 7a, is appropriated to the commissioner of  
 13.17 management and budget for transfer to the funds and accounts from which the salaries of  
 13.18 peace officers certified under section 69.011, subdivision 2b, are paid. The commissioner  
 13.19 of revenue shall certify to the commissioners of public safety, natural resources, and  
 13.20 management and budget the amounts to be transferred from the appropriation for police  
 13.21 state aid. The commissioners of public safety and natural resources shall certify to the  
 13.22 commissioner of management and budget the amounts to be credited to each of the funds  
 13.23 and accounts from which the peace officers employed by their respective departments are  
 13.24 paid. Each commissioner shall allocate the police state aid first for employer contributions  
 13.25 for employees funded from the general fund and then for employer contributions for  
 13.26 employees funded from other funds. For peace officers whose salaries are paid from the  
 13.27 general fund, the amounts transferred from the appropriation for police state aid must be  
 13.28 canceled to the general fund.

13.29 Sec. 16. Minnesota Statutes 2016, section 69.041, is amended to read:

13.30 **69.041 SHORTFALL FROM GENERAL FUND.**

13.31 ~~(a)~~ If the annual funding requirements of fire or police relief associations or consolidation  
 13.32 accounts under sections 424A.091 to 424A.095, or Laws 2013, chapter 111, article 5, sections  
 13.33 31 to 42, exceed all applicable revenue sources of a given year, including the insurance

14.1 premium taxes funding the ~~applicable fire or police~~ state aid as set under section 297I.05,  
 14.2 subdivisions 2, 3, and 4, the shortfall in the annual funding requirements must be paid from  
 14.3 the general fund to the extent appropriated by the legislature.

14.4 ~~(b) Nothing in this section may be deemed to relieve any municipality from its obligation~~  
 14.5 ~~to a relief association or consolidation account under law.~~

14.6 Sec. 17. Minnesota Statutes 2016, section 273.18, is amended to read:

14.7 **273.18 LISTING, VALUATION, AND ASSESSMENT OF EXEMPT PROPERTY**  
 14.8 **BY COUNTY AUDITORS.**

14.9 (a) In every sixth year after the year 2010, the county auditor shall enter the description  
 14.10 of each tract of real property exempt by law from taxation, with the name of the owner, and  
 14.11 the assessor shall value and assess the same in the same manner that other real property is  
 14.12 valued and assessed, and shall designate in each case the purpose for which the property is  
 14.13 used.

14.14 ~~(b) For purposes of the apportionment of fire state aid under section 69.021, subdivision~~  
 14.15 ~~7,~~ The county auditor shall include on the abstract of assessment of exempt real property  
 14.16 filed under this section, the total number of acres of all natural resources lands for which  
 14.17 in lieu payments are made under sections 477A.11 to 477A.14. The assessor shall estimate  
 14.18 its market value, provided that if the assessor is not able to estimate the market value of the  
 14.19 land on a per parcel basis, the assessor shall furnish the commissioner of revenue with an  
 14.20 estimate of the average value per acre of this land within the county.

14.21 Sec. 18. Minnesota Statutes 2016, section 353G.08, subdivision 1, is amended to read:

14.22 Subdivision 1. **Annual funding requirements; lump-sum retirement division.** (a)  
 14.23 Annually, the executive director shall determine the funding requirements of each account  
 14.24 in the lump-sum retirement division of the voluntary statewide volunteer firefighter retirement  
 14.25 plan on or before August 1. The funding requirements computed under this subdivision  
 14.26 must be determined using a mathematical procedure developed and certified as accurate by  
 14.27 the approved actuary retained by the Public Employees Retirement Association and must  
 14.28 be based on present value factors using a six percent interest rate, without any decrement  
 14.29 assumptions. The funding requirements must be certified to the entity or entities associated  
 14.30 with the fire department whose active firefighters are covered by the retirement plan.

14.31 (b) The overall funding balance of each lump-sum account for the current calendar year  
 14.32 must be determined in the following manner:

15.1 (1) The total accrued liability for all active and deferred members of the account as of  
15.2 December 31 of the current year must be calculated based on the good time service credit  
15.3 of active and deferred members as of that date.

15.4 (2) The total present assets of the account projected to December 31 of the current year,  
15.5 including receipts by and disbursements from the account anticipated to occur on or before  
15.6 December 31, must be calculated. To the extent possible, the market value of assets must  
15.7 be utilized in making this calculation.

15.8 (3) The amount of the total present assets calculated under clause (2) must be subtracted  
15.9 from the amount of the total accrued liability calculated under clause (1). If the amount of  
15.10 total present assets exceeds the amount of the total accrued liability, then the account is  
15.11 considered to have a surplus over full funding. If the amount of the total present assets is  
15.12 less than the amount of the total accrued liability, then the account is considered to have a  
15.13 deficit from full funding. If the amount of total present assets is equal to the amount of the  
15.14 total accrued liability, then the special fund is considered to be fully funded.

15.15 (c) The financial requirements of each lump-sum account for the following calendar  
15.16 year must be determined in the following manner:

15.17 (1) The total accrued liability for all active and deferred members of the account as of  
15.18 December 31 of the calendar year next following the current calendar year must be calculated  
15.19 based on the good time service used in the calculation under paragraph (b), clause (1),  
15.20 increased by one year.

15.21 (2) The increase in the total accrued liability of the account for the following calendar  
15.22 year over the total accrued liability of the account for the current year must be calculated.

15.23 (3) The amount of administrative expenses of the account must be calculated by  
15.24 multiplying the per-person dollar amount of the administrative expenses for the most recent  
15.25 prior calendar year by the number of active and deferred firefighters reported to PERA on  
15.26 the most recent good time service credit certification form for each account.

15.27 (4) If the account is fully funded, the financial requirement of the account for the  
15.28 following calendar year is the total of the amounts calculated under clauses (2) and (3).

15.29 (5) If the account has a deficit from full funding, the financial requirement of the account  
15.30 for the following calendar year is the total of the amounts calculated under clauses (2) and  
15.31 (3) plus an amount equal to one-tenth of the amount of the deficit from full funding of the  
15.32 account.

16.1 (6) If the account has a surplus over full funding, the financial requirement of the account  
16.2 for the following calendar year is the financial requirement of the account calculated as  
16.3 though the account was fully funded under clause (4) and, if the account has also had a  
16.4 surplus over full funding during the prior two years, additionally reduced by an amount  
16.5 equal to one-tenth of the amount of the surplus over full funding of the account.

16.6 (d) The required contribution of the entity or entities associated with the fire department  
16.7 whose active firefighters are covered by the lump-sum retirement division is the annual  
16.8 financial requirements of the lump-sum account of the retirement plan under paragraph (c)  
16.9 reduced by ~~the amount of any fire state aid payable under sections 69.011 to 69.051 or~~  
16.10 ~~police and firefighter retirement supplemental state aid payable under section 423A.022~~  
16.11 ~~that is reasonably anticipated to be received by the retirement plan attributable to the entity~~  
16.12 ~~or entities during the following calendar year, and~~ an amount of interest on the assets  
16.13 projected to be received during the following calendar year calculated at the rate of six  
16.14 percent per annum. The required contribution must be allocated between the entities if more  
16.15 than one entity is involved. ~~A reasonable amount of anticipated fire state aid is an amount~~  
16.16 ~~that does not exceed the fire state aid actually received in the prior year multiplied by the~~  
16.17 ~~factor 1.035.~~

16.18 (e) The required contribution calculated in paragraph (d) must be paid to the retirement  
16.19 plan on or before December 31 of the year for which it was calculated. If the contribution  
16.20 is not received by the retirement plan by December 31, it is payable with interest at an  
16.21 annual compound rate of six percent from the date due until the date payment is received  
16.22 by the retirement plan. If the entity does not pay the full amount of the required contribution,  
16.23 the executive director shall collect the unpaid amount under section 353.28, subdivision 6.

16.24 Sec. 19. Minnesota Statutes 2016, section 353G.08, subdivision 1a, is amended to read:

16.25 Subd. 1a. **Annual funding requirements; monthly benefit retirement division.** (a)  
16.26 Annually, the executive director shall determine the funding requirements of each monthly  
16.27 benefit account in the voluntary statewide volunteer firefighter retirement plan on or before  
16.28 August 1.

16.29 (b) The executive director must determine the funding requirements of a monthly benefit  
16.30 account under this subdivision from:

16.31 (1) the most recent actuarial valuation normal cost, administrative expense, including  
16.32 the cost of a regular actuarial valuation, and amortization results for the account determined  
16.33 by the approved actuary retained by the retirement association under sections 356.215 and  
16.34 356.216; and

17.1 (2) the standards for actuarial work, utilizing a six percent interest rate actuarial  
17.2 assumption and other actuarial assumptions approved under section 356.215, subdivision  
17.3 18:

17.4 (i) with that portion of any unfunded actuarial accrued liability attributable to a benefit  
17.5 increase to be amortized over a period of 20 years from the date of the benefit change;

17.6 (ii) with that portion of any unfunded actuarial accrued liability attributable to an  
17.7 assumption change or an actuarial method change to be amortized over a period of 20 years  
17.8 from the date of the assumption or method change;

17.9 (iii) with that portion of any unfunded actuarial accrued liability attributable to an  
17.10 investment loss to be amortized over a period of ten years from the date of investment loss;  
17.11 and

17.12 (iv) with the balance of any net unfunded actuarial accrued liability to be amortized over  
17.13 a period of five years from the date of the actuarial valuation.

17.14 (c) The required contributions of the entity or entities associated with the fire department  
17.15 whose active firefighters are covered by the monthly benefit retirement division are the  
17.16 annual financial requirements of the monthly benefit account of the retirement plan under  
17.17 paragraph (b) ~~reduced by the amount of any fire state aid payable under sections 69.011 to~~  
17.18 ~~69.051, or any police and firefighter retirement supplemental state aid payable under section~~  
17.19 ~~423A.022, that is reasonably anticipated to be received by the retirement plan attributable~~  
17.20 ~~to the entity or entities during the following calendar year.~~ The required contribution must  
17.21 be allocated between the entities if more than one entity is involved. ~~A reasonable amount~~  
17.22 ~~of anticipated fire state aid is an amount that does not exceed the fire state aid actually~~  
17.23 ~~received in the prior year multiplied by the factor 1.035.~~

17.24 (d) The required contribution calculated in paragraph (c) must be paid to the retirement  
17.25 plan on or before December 31 of the year for which it was calculated. If the contribution  
17.26 is not received by the retirement plan by December 31, it is payable with interest at an  
17.27 annual compound rate of six percent from the date due until the date payment is received  
17.28 by the retirement plan. If the entity does not pay the full amount of the required contribution,  
17.29 the executive director shall collect the unpaid amount under section 353.28, subdivision 6.

17.30 Sec. 20. Minnesota Statutes 2016, section 423A.02, subdivision 1b, is amended to read:

17.31 Subd. 1b. **Additional amortization state aid.** (a) Annually, the commissioner shall  
17.32 allocate the additional amortization state aid, if any, including any state aid in excess of the  
17.33 limitation in subdivision 4, on the following basis:

18.1 (1) ~~47.1~~ 55.7 percent to the city of Minneapolis to defray the employer costs associated  
 18.2 with police and firefighter retirement coverage;

18.3 ~~(2) 25.8 percent as additional funding to support the minimum fire state aid for volunteer~~  
 18.4 ~~firefighter relief associations under section 69.021, subdivision 7, paragraph (d);~~

18.5 ~~(3) 12.9~~ (2) 21.5 percent to the city of Duluth to defray employer costs associated with  
 18.6 police and firefighter retirement coverage;

18.7 ~~(4) 12.9~~ (3) 21.5 percent to the St. Paul Teachers Retirement Fund Association if the  
 18.8 investment performance requirement of paragraph (c) is met; and

18.9 ~~(5) (4)~~ (4) 1.3 percent to the city of Virginia to defray the employer contribution under  
 18.10 section 353.665, subdivision 8, paragraph (d).

18.11 If there is no additional employer contribution under section 353.665, subdivision 8,  
 18.12 paragraph (b), certified under subdivision 1, paragraph (d), clause (2), with respect to the  
 18.13 former Minneapolis Police Relief Association and the former Minneapolis Fire Department  
 18.14 Relief Association, the commissioner shall allocate that 47.1 percent of the aid ~~as follows:~~  
 18.15 ~~49 percent to~~ evenly between the Teachers Retirement Association, ~~21 percent to~~ and the  
 18.16 St. Paul Teachers Retirement Fund Association, ~~and 30 percent as additional funding to~~  
 18.17 ~~support minimum fire state aid for volunteer firefighter relief associations under section~~  
 18.18 ~~69.021, subdivision 7, paragraph (d).~~ If there is no employer contribution by the city of  
 18.19 Virginia under section 353.665, subdivision 8, paragraph (d), for the former Virginia Fire  
 18.20 Department Relief Association certified on or before June 30 by the executive director of  
 18.21 the Public Employees Retirement Association, the commissioner shall allocate that 1.3  
 18.22 percent of the aid ~~as follows:~~ ~~49 percent to~~ evenly between the Teachers Retirement  
 18.23 Association, ~~21 percent to~~ and the St. Paul Teachers Retirement Fund Association, ~~and 30~~  
 18.24 ~~percent as additional funding to support minimum fire state aid for volunteer firefighter~~  
 18.25 ~~relief associations under section 69.021, subdivision 7, paragraph (d).~~

18.26 (b) The allocation must be made by the commissioner of revenue on October 1 annually.

18.27 (c) With respect to the St. Paul Teachers Retirement Fund Association, annually, if the  
 18.28 teacher's association five-year average time-weighted rate of investment return does not  
 18.29 equal or exceed the performance of a composite portfolio assumed passively managed  
 18.30 (indexed) invested ten percent in cash equivalents, 60 percent in bonds and similar debt  
 18.31 securities, and 30 percent in domestic stock calculated using the formula under section  
 18.32 11A.04, clause (11), the aid allocation to the retirement fund under this section ceases until  
 18.33 the five-year annual rate of investment return equals or exceeds the performance of that  
 18.34 composite portfolio.

19.1 (d) The amounts required under this subdivision are the amounts annually appropriated  
19.2 to the commissioner of revenue under section 69.021, subdivision 11, paragraph (d), if any,  
19.3 and the aid amounts in excess of the limitation in subdivision 4.

19.4 Sec. 21. Minnesota Statutes 2016, section 423A.022, subdivision 2, is amended to read:

19.5 Subd. 2. **Allocation.** (a) Of the total amount appropriated as supplemental state aid:

19.6 (1) ~~58.064~~ 75.806 percent must be paid to the executive director of the Public Employees  
19.7 Retirement Association for deposit in the public employees police and fire retirement fund  
19.8 established by section 353.65, subdivision 1;

19.9 ~~(2) 35.484 percent must be paid to municipalities other than municipalities solely~~  
19.10 ~~employing firefighters with retirement coverage provided by the public employees police~~  
19.11 ~~and fire retirement plan which qualified to receive fire state aid in that calendar year, allocated~~  
19.12 ~~in proportion to the most recent amount of fire state aid paid under section 69.021,~~  
19.13 ~~subdivision 7, for the municipality bears to the most recent total fire state aid for all~~  
19.14 ~~municipalities other than the municipalities solely employing firefighters with retirement~~  
19.15 ~~coverage provided by the public employees police and fire retirement plan paid under section~~  
19.16 ~~69.021, subdivision 7, with the allocated amount for fire departments participating in the~~  
19.17 ~~voluntary statewide lump-sum volunteer firefighter retirement plan paid to the executive~~  
19.18 ~~director of the Public Employees Retirement Association for deposit in the fund established~~  
19.19 ~~by section 353G.02, subdivision 3, and credited to the respective account and with the~~  
19.20 ~~balance paid to the treasurer of each municipality for transmittal within 30 days of receipt~~  
19.21 ~~to the treasurer of the applicable volunteer firefighter relief association for deposit in its~~  
19.22 ~~special fund; and~~

19.23 ~~(3) 6.452~~ (2) 24.194 percent must be paid to the executive director of the Minnesota  
19.24 State Retirement System for deposit in the state patrol retirement fund.

19.25 (b) ~~For purposes of this section, the term "municipalities" includes independent nonprofit~~  
19.26 ~~firefighting corporations that participate in the voluntary statewide lump-sum volunteer~~  
19.27 ~~firefighter retirement plan under chapter 353G or with subsidiary volunteer firefighter relief~~  
19.28 ~~associations operating under chapter 424A.~~

19.29 Sec. 22. Minnesota Statutes 2016, section 423A.022, subdivision 3, is amended to read:

19.30 Subd. 3. **Reporting.** On or before September 1, annually, the executive director of the  
19.31 Public Employees Retirement Association shall report to the commissioner of revenue the  
19.32 following:

20.1 (1) the municipalities which employ firefighters with retirement coverage by the public  
20.2 employees police and fire retirement plan; and

20.3 ~~(2) the fire departments covered by the voluntary statewide lump-sum volunteer firefighter~~  
20.4 ~~retirement plan; and~~

20.5 ~~(3)~~ (2) any other information requested by the commissioner to administer the police  
20.6 and firefighter retirement supplemental state aid program.

20.7 Sec. 23. Minnesota Statutes 2016, section 423A.022, subdivision 4, is amended to read:

20.8 Subd. 4. **Payments; conditions prerequisite.** (a) The payments under this section must  
20.9 be made on October 1 each year, with interest at one percent for each month, or portion of  
20.10 a month, that the amount remains unpaid after October 1. Any necessary adjustments must  
20.11 be made to subsequent payments.

20.12 ~~(b) The provisions of sections 69.011 to 69.051 that prevent municipalities and relief~~  
20.13 ~~associations from being eligible for, or receiving fire state aid under sections 69.011 to~~  
20.14 ~~69.051 until the applicable financial reporting requirements have been complied with, apply~~  
20.15 ~~to the amounts payable to municipalities and relief associations under this section.~~

20.16 Sec. 24. Minnesota Statutes 2016, section 424A.016, subdivision 2, is amended to read:

20.17 Subd. 2. **Defined contribution service pension eligibility.** (a) A relief association,  
20.18 when its articles of incorporation or bylaws so provide, may pay out of the assets of its  
20.19 special fund a defined contribution service pension to each of its members who:

20.20 (1) separates from active service with the fire department;

20.21 (2) reaches age 50;

20.22 (3) completes at least five years of active service as an active member of the municipal  
20.23 fire department to which the relief association is associated;

20.24 (4) completes at least five years of active membership with the relief association before  
20.25 separation from active service; and

20.26 (5) complies with any additional conditions as to age, service, and membership that are  
20.27 prescribed by the bylaws of the relief association.

20.28 (b) In the case of a member who has completed at least five years of active service as  
20.29 an active member of the fire department to which the relief association is associated on the  
20.30 date that the relief association is established and incorporated, the requirement that the  
20.31 member complete at least five years of active membership with the relief association before

21.1 separation from active service may be waived by the board of trustees of the relief association  
 21.2 if the member completes at least five years of inactive membership with the relief association  
 21.3 before the date of the payment of the service pension. During the period of inactive  
 21.4 membership, the member is not entitled to receive any disability benefit coverage, is not  
 21.5 entitled to receive additional individual account allocation of ~~fire state aid or~~ municipal  
 21.6 contribution towards a service pension, and is considered to have the status of a person  
 21.7 entitled to a deferred service pension.

21.8 ~~(e) The service pension earned by a volunteer under this chapter and the articles of~~  
 21.9 ~~incorporation and bylaws of the relief association may be paid whether or not the municipality~~  
 21.10 ~~or nonprofit firefighting corporation to which the relief association is associated qualifies~~  
 21.11 ~~for the receipt of fire state aid under chapter 69.~~

21.12 Sec. 25. Minnesota Statutes 2016, section 424A.016, subdivision 4, is amended to read:

21.13 Subd. 4. **Individual accounts.** (a) An individual account must be established for each  
 21.14 firefighter who is a member of the relief association.

21.15 (b) To each individual active member account must be credited an equal share of:

21.16 ~~(1) any amounts of fire state aid and police and firefighter retirement supplemental state~~  
 21.17 ~~aid received by the relief association;~~

21.18 ~~(2) (1) any amounts of municipal contributions to the relief association raised from levies~~  
 21.19 ~~on real estate or from other available municipal revenue sources exclusive of fire state aid;~~  
 21.20 and

21.21 ~~(3) (2) any amounts equal to the share of the assets of the special fund to the credit of:~~

21.22 (i) any former member who terminated active service with the fire department to which  
 21.23 the relief association is associated before meeting the minimum service requirement provided  
 21.24 for in subdivision 2, paragraph (b), and has not returned to active service with the fire  
 21.25 department for a period no shorter than five years; or

21.26 (ii) any retired member who retired before obtaining a full nonforfeitable interest in the  
 21.27 amounts credited to the individual member account under subdivision 2, paragraph (b), and  
 21.28 any applicable provision of the bylaws of the relief association. In addition, any investment  
 21.29 return on the assets of the special fund must be credited in proportion to the share of the  
 21.30 assets of the special fund to the credit of each individual active member account.

21.31 Administrative expenses of the relief association payable from the special fund may be  
 21.32 deducted from individual accounts in a manner specified in the bylaws of the relief  
 21.33 association.

22.1 (c) If the bylaws so permit and as the bylaws define, the relief association may credit  
22.2 any investment return on the assets of the special fund to the accounts of inactive members.

22.3 (d) Amounts to be credited to individual accounts must be allocated uniformly for all  
22.4 years of active service and allocations must be made for all years of service, except for caps  
22.5 on service credit if so provided in the bylaws of the relief association. Amounts forfeited  
22.6 under paragraph (b), clause (3), before a resumption of active service and membership under  
22.7 section 424A.01, subdivision 6, remain forfeited and may not be reinstated upon the  
22.8 resumption of active service and membership. The allocation method may utilize monthly  
22.9 proration for fractional years of service, as the bylaws or articles of incorporation of the  
22.10 relief association so provide. The bylaws or articles of incorporation may define a "month,"  
22.11 but the definition must require a calendar month to have at least 16 days of active service.  
22.12 If the bylaws or articles of incorporation do not define a "month," a "month" is a completed  
22.13 calendar month of active service measured from the member's date of entry to the same date  
22.14 in the subsequent month.

22.15 (e) At the time of retirement under subdivision 2 and any applicable provision of the  
22.16 bylaws of the relief association, a retiring member is entitled to that portion of the assets of  
22.17 the special fund to the credit of the member in the individual member account which is  
22.18 nonforfeitable under subdivision 3 and any applicable provision of the bylaws of the relief  
22.19 association based on the number of years of service to the credit of the retiring member.

22.20 ~~(f) Annually, the secretary of the relief association shall certify the individual account~~  
22.21 ~~allocations to the state auditor at the same time that the annual financial statement or financial~~  
22.22 ~~report and audit of the relief association, whichever applies, is due under section 69.051.~~

22.23 Sec. 26. Minnesota Statutes 2016, section 424A.016, subdivision 8, is amended to read:

22.24 Subd. 8. **Filing of bylaw amendments.** Each relief association to which this section  
22.25 applies must file a revised copy of its governing bylaws with the state auditor upon the  
22.26 adoption of any amendment to its governing bylaws by the relief association. ~~Failure of the~~  
22.27 ~~relief association to file a copy of the bylaws or any bylaw amendments with the state auditor~~  
22.28 ~~disqualifies the municipality from the distribution of any future fire state aid until this filing~~  
22.29 ~~requirement has been completed.~~

22.30 Sec. 27. Minnesota Statutes 2016, section 424A.02, subdivision 1, is amended to read:

22.31 Subdivision 1. **Authorization.** (a) A defined benefit relief association, when its articles  
22.32 of incorporation or bylaws so provide, may pay out of the assets of its special fund a defined  
22.33 benefit service pension to each of its members who: (1) separates from active service with

23.1 the fire department; (2) reaches age 50; (3) completes at least five years of active service  
23.2 as an active member of the municipal fire department to which the relief association is  
23.3 associated; (4) completes at least five years of active membership with the relief association  
23.4 before separation from active service; and (5) complies with any additional conditions as  
23.5 to age, service, and membership that are prescribed by the bylaws of the relief association.  
23.6 A service pension computed under this section may be prorated monthly for fractional years  
23.7 of service as the bylaws or articles of incorporation of the relief association so provide. The  
23.8 bylaws or articles of incorporation may define a "month," but the definition must require a  
23.9 calendar month to have at least 16 days of active service. If the bylaws or articles of  
23.10 incorporation do not define a "month," a "month" is a completed calendar month of active  
23.11 service measured from the member's date of entry to the same date in the subsequent month.  
23.12 ~~The service pension earned by a volunteer firefighter under this chapter and the articles of~~  
23.13 ~~incorporation and bylaws of the volunteer firefighters relief association may be paid whether~~  
23.14 ~~or not the municipality or nonprofit firefighting corporation to which the relief association~~  
23.15 ~~is associated qualifies for the receipt of fire state aid under chapter 69.~~

23.16 (b) In the case of a member who has completed at least five years of active service as  
23.17 an active member of the fire department to which the relief association is associated on the  
23.18 date that the relief association is established and incorporated, the requirement that the  
23.19 member complete at least five years of active membership with the relief association before  
23.20 separation from active service may be waived by the board of trustees of the relief association  
23.21 if the member completes at least five years of inactive membership with the relief association  
23.22 before the date of the payment of the service pension. During the period of inactive  
23.23 membership, the member is not entitled to receive disability benefit coverage, is not entitled  
23.24 to receive additional service credit towards computation of a service pension, and is  
23.25 considered to have the status of a person entitled to a deferred service pension under  
23.26 subdivision 7.

23.27 (c) No municipality or nonprofit firefighting corporation may delegate the power to take  
23.28 final action in setting a service pension or ancillary benefit amount or level to the board of  
23.29 trustees of the relief association or to approve in advance a service pension or ancillary  
23.30 benefit amount or level equal to the maximum amount or level that this chapter would allow  
23.31 rather than a specific dollar amount or level.

23.32 Sec. 28. Minnesota Statutes 2016, section 424A.02, subdivision 3, is amended to read:

23.33 Subd. 3. **Flexible service pension maximums.** (a) Annually on or before August 1 as  
23.34 part of the certification of the financial requirements and minimum municipal obligation

24.1 determined under section 424A.092, subdivision 4, or 424A.093, subdivision 5, as applicable,  
 24.2 the secretary or some other official of the relief association designated in the bylaws of each  
 24.3 defined benefit relief association shall calculate and certify to the governing body of the  
 24.4 applicable municipality the average amount of available financing per active covered  
 24.5 firefighter for the most recent three-year period. The amount of available financing includes  
 24.6 any amounts of ~~fire state aid~~ and police and firefighter retirement supplemental state aid  
 24.7 received or receivable by the relief association, any amounts of municipal contributions to  
 24.8 the relief association raised from levies on real estate or from other available revenue sources  
 24.9 ~~exclusive of fire state aid~~, and one-tenth of the amount of assets in excess of the accrued  
 24.10 liabilities of the relief association calculated under section 424A.092, subdivision 2;  
 24.11 424A.093, subdivisions 2 and 4; or 424A.094, subdivision 2, if any.

24.12 (b) The maximum service pension which the defined benefit relief association has  
 24.13 authority to provide for in its bylaws for payment to a member retiring after the calculation  
 24.14 date when the minimum age and service requirements specified in subdivision 1 are met  
 24.15 must be determined using the table in paragraph (c) or (d), whichever applies.

24.16 (c) For a defined benefit relief association where the governing bylaws provide for a  
 24.17 monthly service pension to a retiring member, the maximum monthly service pension amount  
 24.18 per month for each year of service credited that may be provided for in the bylaws is the  
 24.19 greater of the service pension amount provided for in the bylaws on the date of the calculation  
 24.20 of the average amount of the available financing per active covered firefighter or the  
 24.21 maximum service pension figure corresponding to the average amount of available financing  
 24.22 per active covered firefighter:

24.23 Minimum Average Amount of Available 24.24 Financing per Firefighter 24.25	24.26 24.27 24.28 24.29 24.30 24.31 24.32 24.33 24.34 24.35 24.36 24.37	24.26 24.27 24.28 24.29 24.30 24.31 24.32 24.33 24.34 24.35 24.36 24.37
	\$ ...	Maximum Service Pension Amount Payable per Month for Each Year of Service
	41	.50
	81	1.00
	122	1.50
	162	2.00
	203	2.50
	243	3.00
	284	3.50
	324	4.00
	365	4.50
	405	5.00
	486	6.00

25.1	567	7.00
25.2	648	8.00
25.3	729	9.00
25.4	810	10.00
25.5	891	11.00
25.6	972	12.00
25.7	1053	13.00
25.8	1134	14.00
25.9	1215	15.00
25.10	1296	16.00
25.11	1377	17.00
25.12	1458	18.00
25.13	1539	19.00
25.14	1620	20.00
25.15	1701	21.00
25.16	1782	22.00
25.17	1823	22.50
25.18	1863	23.00
25.19	1944	24.00
25.20	2025	25.00
25.21	2106	26.00
25.22	2187	27.00
25.23	2268	28.00
25.24	2349	29.00
25.25	2430	30.00
25.26	2511	31.00
25.27	2592	32.00
25.28	2673	33.00
25.29	2754	34.00
25.30	2834	35.00
25.31	2916	36.00
25.32	2997	37.00
25.33	3078	38.00
25.34	3159	39.00
25.35	3240	40.00
25.36	3321	41.00
25.37	3402	42.00
25.38	3483	43.00

26.1	3564	44.00
26.2	3645	45.00
26.3	3726	46.00
26.4	3807	47.00
26.5	3888	48.00
26.6	3969	49.00
26.7	4050	50.00
26.8	4131	51.00
26.9	4212	52.00
26.10	4293	53.00
26.11	4374	54.00
26.12	4455	55.00
26.13	4536	56.00
26.14	4617	57.00
26.15	4698	58.00
26.16	4779	59.00
26.17	4860	60.00
26.18	4941	61.00
26.19	5022	62.00
26.20	5103	63.00
26.21	5184	64.00
26.22	5265	65.00
26.23	5346	66.00
26.24	5427	67.00
26.25	5508	68.00
26.26	5589	69.00
26.27	5670	70.00
26.28	5751	71.00
26.29	5832	72.00
26.30	5913	73.00
26.31	5994	74.00
26.32	6075	75.00
26.33	6156	76.00
26.34	6237	77.00
26.35	6318	78.00
26.36	6399	79.00
26.37	6480	80.00
26.38	6561	81.00

27.1	6642	82.00
27.2	6723	83.00
27.3	6804	84.00
27.4	6885	85.00
27.5	6966	86.00
27.6	7047	87.00
27.7	7128	88.00
27.8	7209	89.00
27.9	7290	90.00
27.10	7371	91.00
27.11	7452	92.00
27.12	7533	93.00
27.13	7614	94.00
27.14	7695	95.00
27.15	7776	96.00
27.16	7857	97.00
27.17	7938	98.00
27.18	8019	99.00
27.19	8100	100.00
27.20	any amount in excess of	
27.21	8100	100.00

27.22 (d) For a defined benefit relief association in which the governing bylaws provide for a  
 27.23 lump-sum service pension to a retiring member, the maximum lump-sum service pension  
 27.24 amount for each year of service credited that may be provided for in the bylaws is the greater  
 27.25 of the service pension amount provided for in the bylaws on the date of the calculation of  
 27.26 the average amount of the available financing per active covered firefighter or the maximum  
 27.27 service pension figure corresponding to the average amount of available financing per active  
 27.28 covered firefighter for the applicable specified period:

27.29	Minimum Average Amount of Available	Maximum Lump-Sum Service Pension
27.30	Financing per Firefighter	Amount Payable for Each Year of Service
27.31	\$ ...	\$ 10
27.32	11	20
27.33	16	30
27.34	23	40
27.35	27	50
27.36	32	60
27.37	43	80

28.1	54	100
28.2	65	120
28.3	77	140
28.4	86	160
28.5	97	180
28.6	108	200
28.7	131	240
28.8	151	280
28.9	173	320
28.10	194	360
28.11	216	400
28.12	239	440
28.13	259	480
28.14	281	520
28.15	302	560
28.16	324	600
28.17	347	640
28.18	367	680
28.19	389	720
28.20	410	760
28.21	432	800
28.22	486	900
28.23	540	1000
28.24	594	1100
28.25	648	1200
28.26	702	1300
28.27	756	1400
28.28	810	1500
28.29	864	1600
28.30	918	1700
28.31	972	1800
28.32	1026	1900
28.33	1080	2000
28.34	1134	2100
28.35	1188	2200
28.36	1242	2300
28.37	1296	2400
28.38	1350	2500

29.1	1404	2600
29.2	1458	2700
29.3	1512	2800
29.4	1566	2900
29.5	1620	3000
29.6	1672	3100
29.7	1726	3200
29.8	1753	3250
29.9	1780	3300
29.10	1820	3375
29.11	1834	3400
29.12	1888	3500
29.13	1942	3600
29.14	1996	3700
29.15	2023	3750
29.16	2050	3800
29.17	2104	3900
29.18	2158	4000
29.19	2212	4100
29.20	2265	4200
29.21	2319	4300
29.22	2373	4400
29.23	2427	4500
29.24	2481	4600
29.25	2535	4700
29.26	2589	4800
29.27	2643	4900
29.28	2697	5000
29.29	2751	5100
29.30	2805	5200
29.31	2859	5300
29.32	2913	5400
29.33	2967	5500
29.34	3021	5600
29.35	3075	5700
29.36	3129	5800
29.37	3183	5900
29.38	3237	6000

30.1	3291	6100
30.2	3345	6200
30.3	3399	6300
30.4	3453	6400
30.5	3507	6500
30.6	3561	6600
30.7	3615	6700
30.8	3669	6800
30.9	3723	6900
30.10	3777	7000
30.11	3831	7100
30.12	3885	7200
30.13	3939	7300
30.14	3993	7400
30.15	4047	7500
30.16	4101	7600
30.17	4155	7700
30.18	4209	7800
30.19	4263	7900
30.20	4317	8000
30.21	4371	8100
30.22	4425	8200
30.23	4479	8300
30.24	4533	8400
30.25	4587	8500
30.26	4641	8600
30.27	4695	8700
30.28	4749	8800
30.29	4803	8900
30.30	4857	9000
30.31	4911	9100
30.32	4965	9200
30.33	5019	9300
30.34	5073	9400
30.35	5127	9500
30.36	5181	9600
30.37	5235	9700
30.38	5289	9800

31.1	5343	9900
31.2	5397	10,000
31.3	any amount in excess of	
31.4	5397	10,000

31.5 (e) For a defined benefit relief association in which the governing bylaws provide for a  
 31.6 monthly benefit service pension as an alternative form of service pension payment to a  
 31.7 lump-sum service pension, the maximum service pension amount for each pension payment  
 31.8 type must be determined using the applicable table contained in this subdivision.

31.9 (f) If a defined benefit relief association establishes a service pension in compliance  
 31.10 with the applicable maximum contained in paragraph (c) or (d) and the minimum average  
 31.11 amount of available financing per active covered firefighter is subsequently reduced because  
 31.12 of a reduction in ~~fire state aid~~ required municipal contributions or because of an increase  
 31.13 in the number of active firefighters, the relief association may continue to provide the prior  
 31.14 service pension amount specified in its bylaws, but may not increase the service pension  
 31.15 amount until the minimum average amount of available financing per firefighter under the  
 31.16 table in paragraph (c) or (d), whichever applies, permits.

31.17 (g) No defined benefit relief association is authorized to provide a service pension in an  
 31.18 amount greater than the largest applicable flexible service pension maximum amount even  
 31.19 if the amount of available financing per firefighter is greater than the financing amount  
 31.20 associated with the largest applicable flexible service pension maximum.

31.21 (h) The method of calculating service pensions must be applied uniformly for all years  
 31.22 of active service. Credit must be given for all years of active service except for caps on  
 31.23 service credit if so provided in the bylaws of the relief association.

31.24 Sec. 29. Minnesota Statutes 2016, section 424A.02, subdivision 3a, is amended to read:

31.25 Subd. 3a. **Penalty for paying pension greater than applicable maximum.** (a) If a  
 31.26 defined benefit relief association pays a service pension greater than the maximum service  
 31.27 pension associated with the applicable average amount of available financing per active  
 31.28 covered firefighter under the table in subdivision 3, paragraph (c) or (d), whichever applies,  
 31.29 the maximum service pension under subdivision 3, paragraph (f), or the applicable maximum  
 31.30 service pension amount specified in subdivision 3, paragraph (g), whichever is less, the  
 31.31 state auditor shall:~~(1) disqualify the municipality or the nonprofit firefighting corporation~~  
 31.32 ~~associated with the relief association from receiving fire state aid by making the appropriate~~  
 31.33 ~~notification to the municipality and the commissioner of revenue, with the disqualification~~  
 31.34 ~~applicable for the next apportionment and payment of fire state aid; and(2) order the treasurer~~

32.1 of the applicable relief association to recover the amount of the overpaid service pension  
32.2 or pensions from any retired firefighter who received an overpayment.

32.3 ~~(b) Fire state aid amounts from disqualified municipalities for the period of~~  
32.4 ~~disqualifications under paragraph (a), clause (1), must be credited to the amount of fire~~  
32.5 ~~insurance premium tax proceeds available for the next subsequent fire state aid~~  
32.6 ~~apportionment.~~

32.7 ~~(c) The amount of any overpaid service pension recovered under paragraph (a), clause~~  
32.8 ~~(2), must be credited to the amount of fire insurance premium tax proceeds available for~~  
32.9 ~~the next subsequent fire state aid apportionment.~~

32.10 ~~(d)~~ (b) The determination of the state auditor that a relief association has paid a service  
32.11 pension greater than the applicable maximum must be made on the basis of the information  
32.12 filed by the relief association and the municipality with the state auditor ~~under sections~~  
32.13 ~~69.011, subdivision 2, and 69.051, subdivision 1 or 1a, whichever applies, and any other~~  
32.14 relevant information that comes to the attention of the state auditor. The determination of  
32.15 the state auditor is final. An aggrieved municipality, relief association, or person may appeal  
32.16 the determination under section 480A.06.

32.17 (e) The state auditor may certify, upon learning that a relief association overpaid a service  
32.18 pension based on an error in the maximum service pension calculation, the municipality or  
32.19 nonprofit firefighting corporation associated with the relief association for fire state aid if  
32.20 (1) there is evidence that the error occurred in good faith, and (2) the relief association has  
32.21 initiated recovery of any overpayment amount. Notwithstanding paragraph (c), all  
32.22 overpayments recovered under this paragraph must be credited to the relief association's  
32.23 special fund.

32.24 Sec. 30. Minnesota Statutes 2016, section 424A.02, subdivision 10, is amended to read:

32.25 **Subd. 10. Local approval of bylaw amendments; filing requirements.** (a) Each defined  
32.26 benefit relief association to which this section applies must file a revised copy of its governing  
32.27 bylaws with the state auditor upon the adoption of any amendment to its governing bylaws  
32.28 by the relief association or upon the approval of any amendment to its governing bylaws  
32.29 granted by the governing body of each municipality served by the fire department to which  
32.30 the relief association is directly associated. ~~Failure of the relief association to file a copy of~~  
32.31 ~~the bylaws or any bylaw amendments with the state auditor disqualifies the municipality~~  
32.32 ~~from the distribution of any future fire state aid until this filing requirement has been~~  
32.33 ~~completed.~~

33.1 (b) If the special fund of the relief association does not have a surplus over full funding  
33.2 under section 424A.092, subdivision 3, paragraph (c), clause (5), or 424A.093, subdivision  
33.3 4, and if the municipality is required to provide financial support to the special fund of the  
33.4 relief association under section 424A.092 or 424A.093, no bylaw amendment which would  
33.5 affect the amount of, the manner of payment of, or the conditions for qualification for service  
33.6 pensions or ancillary benefits or disbursements other than administrative expenses authorized  
33.7 under section 69.80 payable from the special fund of the relief association is effective until  
33.8 it has been ratified as required under section 424A.092, subdivision 6, or 424A.093,  
33.9 subdivision 6. If the special fund of the relief association has a surplus over full funding  
33.10 under section 424A.092, subdivision 3, or 424A.093, subdivision 4, and if the municipality  
33.11 is not required to provide financial support to the special fund under this section, the relief  
33.12 association may adopt or amend without municipal ratification its articles of incorporation  
33.13 or bylaws which increase or otherwise affect the service pensions or ancillary benefits  
33.14 payable from the special fund if authorized under section 424A.092, subdivision 6, or  
33.15 424A.093, subdivision 6.

33.16 (c) If the relief association pays only a lump-sum pension, the financial requirements  
33.17 are to be determined by the board of trustees following the preparation of an estimate of  
33.18 the expected increase in the accrued liability and annual accruing liability of the relief  
33.19 association attributable to the change. If the relief association pays a monthly benefit service  
33.20 pension, the financial requirements are to be determined by the board of trustees following  
33.21 either an updated actuarial valuation including the proposed change or an estimate of the  
33.22 expected actuarial impact of the proposed change prepared by the actuary of the relief  
33.23 association. If a relief association adopts or amends its articles of incorporation or bylaws  
33.24 without municipal ratification under this subdivision, and, subsequent to the amendment or  
33.25 adoption, the financial requirements of the special fund under this section are such so as to  
33.26 require financial support from the municipality, the provision which was implemented  
33.27 without municipal ratification is no longer effective without municipal ratification, and any  
33.28 service pensions or ancillary benefits payable after that date must be paid only in accordance  
33.29 with the articles of incorporation or bylaws as amended or adopted with municipal  
33.30 ratification.

33.31 Sec. 31. Minnesota Statutes 2016, section 424A.05, subdivision 2, is amended to read:

33.32 Subd. 2. **Special fund assets and revenues.** The special fund must be credited with all  
33.33 ~~fire state aid and police and firefighter retirement supplemental state aid received under~~  
33.34 ~~sections 69.011 to 69.051 and 423A.022,~~ all taxes levied by or other revenues received from  
33.35 the municipality under sections 424A.091 to 424A.096 or any applicable special law requiring

34.1 municipal support for the relief association, any funds or property donated, given, granted  
34.2 or devised by any person which is specified for use for the support of the special fund and  
34.3 any interest or investment return earned upon the assets of the special fund. The treasurer  
34.4 of the relief association is the custodian of the assets of the special fund and must be the  
34.5 recipient on behalf of the special fund of all revenues payable to the special fund. The  
34.6 treasurer shall maintain adequate records documenting any transaction involving the assets  
34.7 or the revenues of the special fund. These records and the bylaws of the relief association  
34.8 are public and must be open for inspection by any member of the relief association, any  
34.9 officer or employee of the state or of the municipality, or any member of the public, at  
34.10 reasonable times and places.

34.11 Sec. 32. Minnesota Statutes 2016, section 424A.05, is amended by adding a subdivision  
34.12 to read:

34.13 Subd. 3b. **Authorized administrative expenses.** (a) Notwithstanding any provision of  
34.14 law to the contrary, the payment of the following necessary, reasonable and direct expenses  
34.15 of maintaining, protecting and administering the special fund, when provided for in the  
34.16 bylaws of the association and approved by the board of trustees, constitutes authorized  
34.17 administrative expenses of a volunteer firefighters' relief association organized under any  
34.18 law of this state or the Bloomington Fire Department Relief Association:

34.19 (1) office expense, including, but not limited to, rent, utilities, equipment, supplies,  
34.20 postage, periodical subscriptions, furniture, fixtures, and salaries of administrative personnel;

34.21 (2) salaries of the officers of the association, or their designees, and salaries of the  
34.22 members of the board of trustees of the association if the salary amounts are approved by  
34.23 the governing body of the entity that is responsible for meeting any minimum obligation  
34.24 under section 424A.092 or 424A.093, or Laws 2013, chapter 111, article 5, sections 31 to  
34.25 42, and the itemized expenses of relief association officers and board members that are  
34.26 incurred as a result of fulfilling their responsibilities as administrators of the special fund;

34.27 (3) tuition, registration fees, organizational dues, and other authorized expenses of the  
34.28 officers or members of the board of trustees incurred in attending educational conferences,  
34.29 seminars, or classes relating to the administration of the relief association;

34.30 (4) audit and audit-related services, accounting and accounting-related services, and  
34.31 actuarial, medical, legal, and investment and performance evaluation expenses;

34.32 (5) filing and application fees payable by the relief association to federal or other  
34.33 governmental entities;

35.1 (6) reimbursement to the officers and members of the board of trustees, or their designees,  
 35.2 for reasonable and necessary expenses actually paid and incurred in the performance of  
 35.3 their duties as officers or members of the board; and

35.4 (7) premiums on fiduciary liability insurance and official bonds for the officers, members  
 35.5 of the board of trustees, and employees of the relief association.

35.6 (b) Any other expenses of the relief association must be paid from the general fund of  
 35.7 the association, if one exists. If a relief association has only one fund, that fund is the special  
 35.8 fund for purposes of this section. If a relief association has a special fund and a general  
 35.9 fund, and any expense of the relief association that is directly related to the purposes for  
 35.10 which both funds were established, the payment of that expense must be apportioned between  
 35.11 the two funds on the basis of the benefits derived by each fund.

35.12 Sec. 33. Minnesota Statutes 2016, section 424A.07, is amended to read:

35.13 **424A.07 NONPROFIT FIREFIGHTING CORPORATIONS; ESTABLISHMENT**  
 35.14 **OF RELIEF ASSOCIATIONS.**

35.15 Before paying any service pensions or retirement benefits under section 424A.02 ~~or~~  
 35.16 ~~before becoming entitled to receive any amounts of fire state aid upon transmittal from a~~  
 35.17 ~~contracting municipality under section 69.031, subdivision 5,~~ a nonprofit firefighting  
 35.18 corporation shall establish a volunteer firefighters relief association governed by this chapter.

35.19 Sec. 34. Minnesota Statutes 2016, section 424A.091, subdivision 2, is amended to read:

35.20 Subd. 2. **Authorized employer support for a relief association.** Notwithstanding any  
 35.21 law to the contrary, a municipality may lawfully contribute public funds, ~~including the~~  
 35.22 ~~transfer of any applicable fire state aid,~~ or may levy property taxes for the support of a  
 35.23 firefighters relief association specified in subdivision 1, however organized, which provides  
 35.24 retirement coverage or pays a service pension to retired firefighter or a retirement benefit  
 35.25 to a disabled firefighter or a surviving dependent of either an active or retired firefighter  
 35.26 for the operation and maintenance of the relief association only if the municipality and the  
 35.27 relief association both comply with the applicable provisions of sections 424A.091 to  
 35.28 424A.096.

35.29 Sec. 35. Minnesota Statutes 2016, section 424A.092, subdivision 3, is amended to read:

35.30 Subd. 3. **Financial requirements of relief association; minimum obligation of**  
 35.31 **municipality.** (a) During the month of July, the officers of the relief association shall  
 35.32 determine the overall funding balance of the special fund for the current calendar year, the

36.1 financial requirements of the special fund for the following calendar year and the minimum  
36.2 obligation of the municipality with respect to the special fund for the following calendar  
36.3 year in accordance with the requirements of this subdivision.

36.4 (b) The overall funding balance of the special fund for the current calendar year must  
36.5 be determined in the following manner:

36.6 (1) The total accrued liability of the special fund for all active and deferred members of  
36.7 the relief association as of December 31 of the current year must be calculated under  
36.8 subdivisions 2 and 2a, if applicable.

36.9 (2) The total present assets of the special fund projected to December 31 of the current  
36.10 year, including receipts by and disbursements from the special fund anticipated to occur on  
36.11 or before December 31, must be calculated. To the extent possible, for those assets for which  
36.12 a market value is readily ascertainable, the current market value as of the date of the  
36.13 calculation for those assets must be utilized in making this calculation. For any asset for  
36.14 which no market value is readily ascertainable, the cost value or the book value, whichever  
36.15 is applicable, must be utilized in making this calculation.

36.16 (3) The amount of the total present assets of the special fund calculated under clause (2)  
36.17 must be subtracted from the amount of the total accrued liability of the special fund calculated  
36.18 under clause (1). If the amount of total present assets exceeds the amount of the total accrued  
36.19 liability, then the special fund is considered to have a surplus over full funding. If the amount  
36.20 of the total present assets is less than the amount of the total accrued liability, then the  
36.21 special fund is considered to have a deficit from full funding. If the amount of total present  
36.22 assets is equal to the amount of the total accrued liability, then the special fund is considered  
36.23 to be fully funded.

36.24 (c) The financial requirements of the special fund for the following calendar year must  
36.25 be determined in the following manner:

36.26 (1) The total accrued liability of the special fund for all active and deferred members of  
36.27 the relief association as of December 31 of the calendar year next following the current  
36.28 calendar year must be calculated under subdivisions 2 and 2a, if applicable.

36.29 (2) The increase in the total accrued liability of the special fund for the following calendar  
36.30 year over the total accrued liability of the special fund for the current year must be calculated.

36.31 (3) The amount of anticipated future administrative expenses of the special fund must  
36.32 be calculated by multiplying the dollar amount of the administrative expenses of the special  
36.33 fund for the most recent prior calendar year by the factor of 1.035.

37.1 (4) If the special fund is fully funded, the financial requirements of the special fund for  
 37.2 the following calendar year are the total of the amounts calculated under clauses (2) and  
 37.3 (3).

37.4 (5) If the special fund has a deficit from full funding, the financial requirements of the  
 37.5 special fund for the following calendar year are the financial requirements of the special  
 37.6 fund calculated as though the special fund were fully funded under clause (4) plus an amount  
 37.7 equal to one-tenth of the original amount of the deficit from full funding of the special fund  
 37.8 as determined under clause (2) resulting either from an increase in the amount of the service  
 37.9 pension occurring in the last ten years or from a net annual investment loss occurring during  
 37.10 the last ten years until each increase in the deficit from full funding is fully retired. The  
 37.11 annual amortization contribution under this clause may not exceed the amount of the deficit  
 37.12 from full funding.

37.13 (6) If the special fund has a surplus over full funding, the financial requirements of the  
 37.14 special fund for the following calendar year are the financial requirements of the special  
 37.15 fund calculated as though the special fund were fully funded under clause (4) reduced by  
 37.16 an amount equal to one-tenth of the amount of the surplus over full funding of the special  
 37.17 fund.

37.18 (d) The minimum obligation of the municipality with respect to the special fund is the  
 37.19 financial requirements of the special fund reduced by ~~the amount of any fire state aid and~~  
 37.20 ~~police and firefighter retirement supplemental state aid payable under sections 69.011 to~~  
 37.21 ~~69.051 and 423A.022 reasonably anticipated to be received by the municipality for transmittal~~  
 37.22 ~~to the special fund during the following calendar year~~, an amount of interest on the assets  
 37.23 of the special fund projected to the beginning of the following calendar year calculated at  
 37.24 the rate of five percent per annum, and the amount of any contributions to the special fund  
 37.25 required by the relief association bylaws from the active members of the relief association  
 37.26 reasonably anticipated to be received during the following calendar year. ~~A reasonable~~  
 37.27 ~~amount of anticipated fire state aid is an amount that does not exceed the fire state aid~~  
 37.28 ~~actually received in the prior year multiplied by the factor 1.035.~~

37.29 Sec. 36. Minnesota Statutes 2016, section 424A.092, subdivision 4, is amended to read:

37.30 Subd. 4. **Certification of financial requirements and minimum municipal obligation;**  
 37.31 **levy.** (a) The officers of the relief association shall certify the financial requirements of the  
 37.32 special fund of the relief association and the minimum obligation of the municipality with  
 37.33 respect to the special fund of the relief association as determined under subdivision 3 on or  
 37.34 before August 1 of each year. The certification must be made to the entity that is responsible

38.1 for satisfying the minimum obligation with respect to the special fund of the relief association.  
 38.2 If the responsible entity is a joint powers entity, the certification must be made in the manner  
 38.3 specified in the joint powers agreement, or if the joint powers agreement is silent on this  
 38.4 point, the certification must be made to the chair of the joint powers board.

38.5 ~~(b) The financial requirements of the relief association and the minimum municipal~~  
 38.6 ~~obligation must be included in the financial report or financial statement under section~~  
 38.7 ~~69.051. The schedule forms related to the determination of the financial requirements must~~  
 38.8 ~~be filed with the state auditor by March 31, annually, if the relief association is required to~~  
 38.9 ~~file a financial statement under section 69.051, subdivision 1a, or by June 30, annually, if~~  
 38.10 ~~the relief association is required to file a financial report and audit under section 69.051,~~  
 38.11 ~~subdivision 1.~~

38.12 ~~(e)~~ (b) The municipality shall provide for at least the minimum obligation of the  
 38.13 municipality with respect to the special fund of the relief association by tax levy or from  
 38.14 any other source of public revenue.

38.15 ~~(d)~~ (c) The municipality may levy taxes for the payment of the minimum municipal  
 38.16 obligation without any limitation as to rate or amount and irrespective of any limitations  
 38.17 imposed by other provisions of law upon the rate or amount of taxation until the balance of  
 38.18 the special fund or any fund of the relief association has attained a specified level. In addition,  
 38.19 any taxes levied under this section must not cause the amount or rate of any other taxes  
 38.20 levied in that year or to be levied in a subsequent year by the municipality which are subject  
 38.21 to a limitation as to rate or amount to be reduced.

38.22 ~~(e)~~ (d) If the municipality does not include the full amount of the minimum municipal  
 38.23 obligations in its levy for any year, the officers of the relief association shall certify that  
 38.24 amount to the county auditor, who shall spread a levy in the amount of the certified minimum  
 38.25 municipal obligation on the taxable property of the municipality.

38.26 ~~(f)~~ (e) If the state auditor determines that a municipal contribution actually made in a  
 38.27 plan year was insufficient under section 424A.091, subdivision 3, paragraph (c), clause (5),  
 38.28 the state auditor may request a copy of the certifications under this subdivision from the  
 38.29 relief association or from the city. The relief association or the city, whichever applies, must  
 38.30 provide the certifications within 14 days of the date of the request from the state auditor.

38.31 Sec. 37. Minnesota Statutes 2016, section 424A.093, subdivision 5, is amended to read:

38.32 Subd. 5. **Minimum municipal obligation.** (a) The officers of the relief association shall  
 38.33 determine the minimum obligation of the municipality with respect to the special fund of

39.1 the relief association for the following calendar year on or before August 1 of each year in  
39.2 accordance with the requirements of this subdivision.

39.3 (b) The minimum obligation of the municipality with respect to the special fund is an  
39.4 amount equal to the financial requirements of the special fund of the relief association  
39.5 determined under subdivision 4, reduced by ~~the estimated amount of any fire state aid and~~  
39.6 ~~police and firefighter retirement supplemental state aid payable under sections 69.011 to~~  
39.7 ~~69.051 and 423A.022 reasonably anticipated to be received by the municipality for transmittal~~  
39.8 ~~to the special fund of the relief association during the following year and the amount of any~~  
39.9 anticipated contributions to the special fund required by the relief association bylaws from  
39.10 the active members of the relief association reasonably anticipated to be received during  
39.11 the following calendar year. ~~A reasonable amount of anticipated fire state aid is an amount~~  
39.12 ~~that does not exceed the fire state aid actually received in the prior year multiplied by the~~  
39.13 ~~factor 1.035.~~

39.14 (c) The officers of the relief association shall certify the financial requirements of the  
39.15 special fund of the relief association and the minimum obligation of the municipality with  
39.16 respect to the special fund of the relief association as determined under subdivision 4 and  
39.17 this subdivision by August 1 of each year. The certification must be made to the entity that  
39.18 is responsible for satisfying the minimum obligation with respect to the special fund of the  
39.19 relief association. If the responsible entity is a joint powers entity, the certification must be  
39.20 made in the manner specified in the joint powers agreement, or if the joint powers agreement  
39.21 is silent on this point, the certification must be made to the chair of the joint powers board.

39.22 ~~(d) The financial requirements of the relief association and the minimum municipal~~  
39.23 ~~obligation must be included in the financial report or financial statement under section~~  
39.24 ~~69.051.~~

39.25 ~~(e)~~ (d) The municipality shall provide for at least the minimum obligation of the  
39.26 municipality with respect to the special fund of the relief association by tax levy or from  
39.27 any other source of public revenue. The municipality may levy taxes for the payment of the  
39.28 minimum municipal obligation without any limitation as to rate or amount and irrespective  
39.29 of any limitations imposed by other provisions of law or charter upon the rate or amount of  
39.30 taxation until the balance of the special fund or any fund of the relief association has attained  
39.31 a specified level. In addition, any taxes levied under this section must not cause the amount  
39.32 or rate of any other taxes levied in that year or to be levied in a subsequent year by the  
39.33 municipality which are subject to a limitation as to rate or amount to be reduced.

40.1        ~~(f)~~ (e) If the municipality does not include the full amount of the minimum municipal  
 40.2 obligation in its levy for any year, the officers of the relief association shall certify that  
 40.3 amount to the county auditor, who shall spread a levy in the amount of the minimum  
 40.4 municipal obligation on the taxable property of the municipality.

40.5        ~~(g)~~ (f) If the state auditor determines that a municipal contribution actually made in a  
 40.6 plan year was insufficient under section 424A.091, subdivision 3, paragraph (c), clause (5),  
 40.7 the state auditor may request from the relief association or from the city a copy of the  
 40.8 certifications under this subdivision. The relief association or the city, whichever applies,  
 40.9 must provide the certifications within 14 days of the date of the request from the state auditor.

40.10      Sec. 38. Minnesota Statutes 2016, section 424B.10, subdivision 2, is amended to read:

40.11      Subd. 2. **Funding.** (a) ~~Unless~~ The applicable municipalities must agree in writing in  
 40.12 what manner to allocate the minimum municipal obligation ~~in a different manner, the~~  
 40.13 ~~minimum municipal obligation~~ under section 424A.092 or 424A.093, whichever applies;  
 40.14 ~~must be allocated between the applicable municipalities in proportion to their fire state aid.~~

40.15      (b) If any applicable municipality fails to meet its portion of the minimum municipal  
 40.16 obligation to the subsequent relief association, all other applicable municipalities are jointly  
 40.17 obligated to provide the required funding upon certification by the relief association secretary.  
 40.18 An applicable municipality that pays the minimum municipal obligation amount for another  
 40.19 applicable municipality, the municipality may collect that payment amount, plus a 25 percent  
 40.20 surcharge, from the responsible applicable municipality by any available means, including  
 40.21 a deduction from any state aid or payment amount payable to the responsible municipality  
 40.22 upon certification of the necessary information to the commissioner of management and  
 40.23 budget.

40.24      Sec. 39. **REPEALER.**

40.25      Minnesota Statutes 2016, sections 69.011, subdivision 4; 69.021, subdivisions 7 and 8;  
 40.26 69.051; 69.80; 424A.03, subdivision 2; 424A.08; 424A.091, subdivision 3; and 424A.094,  
 40.27 subdivision 1, are repealed.

40.28      Sec. 40. **EFFECTIVE DATE.**

40.29      Sections 1 to 39 are effective the day following final enactment."

40.30      Renumber the articles in sequence

40.31      Amend the title accordingly