

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-SEVENTH LEGISLATURE**      **S.F. No. 1983**

(SENATE AUTHORS: DEKRUIF, Daley, Rest, Chamberlain and Ortman)

DATE	D-PG	OFFICIAL STATUS
02/20/2012	3858	Introduction and first reading Referred to Jobs and Economic Growth
03/13/2012	4368	Author added Daley
03/22/2012	4774	Comm report: To pass and re-referred to Finance
04/24/2012	6269a	Comm report: To pass as amended
	6273	Second reading
04/27/2012	6612a	Special Order: Amended
	6613	Third reading Passed
05/07/2012	7131	Returned from House with amendment
	7132	Senate concurred and repassed bill
	7132	Third reading
05/08/2012		Authors added Rest; Chamberlain; Ortman

A bill for an act

1.1  
1.2 relating to appropriations; eliminating a fire safety account allocation; modifying  
1.3 certain surcharges; eliminating the transfer of funds from the construction  
1.4 code fund to the general fund; appropriating money for the fire safety account;  
1.5 requiring a report; amending Minnesota Statutes 2010, section 297I.06,  
1.6 subdivision 1; Minnesota Statutes 2011 Supplement, sections 16A.152,  
1.7 subdivision 2; 326B.148, subdivision 1; Laws 2007, chapter 135, article 1,  
1.8 section 16.

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

1.10 Section 1. Minnesota Statutes 2011 Supplement, section 16A.152, subdivision 2,  
1.11 is amended to read:

1.12 Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general  
1.13 fund revenues and expenditures, the commissioner of management and budget determines  
1.14 that there will be a positive unrestricted budgetary general fund balance at the close of  
1.15 the biennium, the commissioner of management and budget must allocate money to the  
1.16 following accounts and purposes in priority order:

1.17 (1) the cash flow account established in subdivision 1 until that account reaches  
1.18 \$350,000,000;

1.19 (2) the budget reserve account established in subdivision 1a until that account  
1.20 reaches \$653,000,000;

1.21 (3) the amount necessary to increase the aid payment schedule for school district  
1.22 aids and credits payments in section 127A.45 to not more than 90 percent rounded to the  
1.23 nearest tenth of a percent without exceeding the amount available and with any remaining  
1.24 funds deposited in the budget reserve;

2.1 (4) the amount necessary to restore all or a portion of the net aid reductions under  
2.2 section 127A.441 and to reduce the property tax revenue recognition shift under section  
2.3 123B.75, subdivision 5, by the same amount; and

2.4 (5) to the state airports fund, the amount necessary to restore the amount transferred  
2.5 from the state airports fund under Laws 2008, chapter 363, article 11, section 3,  
2.6 subdivision 5; and

2.7 ~~(6) to the fire safety account in the special revenue fund, the amount necessary to~~  
2.8 ~~restore transfers from the account to the general fund made in Laws 2010.~~

2.9 (b) The amounts necessary to meet the requirements of this section are appropriated  
2.10 from the general fund within two weeks after the forecast is released or, in the case of  
2.11 transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations  
2.12 schedules otherwise established in statute.

2.13 (c) The commissioner of management and budget shall certify the total dollar  
2.14 amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of  
2.15 education. The commissioner of education shall increase the aid payment percentage and  
2.16 reduce the property tax shift percentage by these amounts and apply those reductions to  
2.17 the current fiscal year and thereafter.

2.18 Sec. 2. Minnesota Statutes 2010, section 297I.06, subdivision 1, is amended to read:

2.19 Subdivision 1. **Insurance policies surcharge.** (a) Except as otherwise provided in  
2.20 subdivision 2, each licensed insurer engaged in writing policies of homeowner's insurance  
2.21 authorized in section 60A.06, subdivision 1, clause (1)(c), or commercial fire policies or  
2.22 commercial nonliability policies shall collect a surcharge as provided in this paragraph.  
2.23 Through June 30, 2013, the surcharge is equal to 0.65 percent of the gross premiums  
2.24 and assessments, less return premiums, on direct business received by the company, or  
2.25 by its agents for it, for homeowner's insurance policies, commercial fire policies, and  
2.26 commercial nonliability insurance policies in this state, and beginning July 1, 2013, the  
2.27 surcharge is reduced to 0.5 percent.

2.28 (b) The surcharge amount collected under paragraph (a) or subdivision 2, paragraph  
2.29 (b), may not be considered premium for any other purpose. The surcharge amount  
2.30 under paragraph (a) must be separately stated on either a billing or policy declaration or  
2.31 document containing similar information sent to an insured.

2.32 (c) Amounts collected by the commissioner under this section must be deposited in  
2.33 the fire safety account established pursuant to subdivision 3.

3.1 Sec. 3. Minnesota Statutes 2011 Supplement, section 326B.148, subdivision 1, is  
3.2 amended to read:

3.3 Subdivision 1. **Computation.** To defray the costs of administering sections  
3.4 326B.101 to 326B.194, a surcharge is imposed on all permits issued by municipalities in  
3.5 connection with the construction of or addition or alteration to buildings and equipment or  
3.6 appurtenances after June 30, 1971. The commissioner may use any surplus in surcharge  
3.7 receipts to award grants for code research and development and education.

3.8 If the fee for the permit issued is fixed in amount the surcharge is equivalent to  
3.9 one-half mill (.0005) of the fee or ~~50 cents~~ \$1, except that effective July 1, 2010, until  
3.10 June 30, ~~2013~~ 2015, the permit surcharge is equivalent to one-half mill (.0005) of the fee  
3.11 or \$5, whichever amount is greater. For all other permits, the surcharge is as follows:

3.12 (1) if the valuation of the structure, addition, or alteration is \$1,000,000 or less, the  
3.13 surcharge is equivalent to one-half mill (.0005) of the valuation of the structure, addition,  
3.14 or alteration;

3.15 (2) if the valuation is greater than \$1,000,000, the surcharge is \$500 plus two-fifths  
3.16 mill (.0004) of the value between \$1,000,000 and \$2,000,000;

3.17 (3) if the valuation is greater than \$2,000,000, the surcharge is \$900 plus three-tenths  
3.18 mill (.0003) of the value between \$2,000,000 and \$3,000,000;

3.19 (4) if the valuation is greater than \$3,000,000, the surcharge is \$1,200 plus one-fifth  
3.20 mill (.0002) of the value between \$3,000,000 and \$4,000,000;

3.21 (5) if the valuation is greater than \$4,000,000, the surcharge is \$1,400 plus one-tenth  
3.22 mill (.0001) of the value between \$4,000,000 and \$5,000,000; and

3.23 (6) if the valuation exceeds \$5,000,000, the surcharge is \$1,500 plus one-twentieth  
3.24 mill (.00005) of the value that exceeds \$5,000,000.

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

3.26 Sec. 4. Laws 2007, chapter 135, article 1, section 16, is amended to read:

3.27 Sec. 16. **TRANSFERS**

3.28 The commissioner of labor and industry shall  
3.29 transfer \$1,627,000 by June 30, 2008, and  
3.30 \$1,515,000 by June 30, of each year for fiscal  
3.31 years 2009, and each year thereafter, through  
3.32 2015 from the construction code fund to the  
3.33 general fund.

4.1 Of the balance remaining in Laws 2005, First  
4.2 Special Session chapter 1, article 3, section  
4.3 2, subdivision 2, for the methamphetamine  
4.4 laboratory cleanup revolving loan fund,  
4.5 \$100,000 is for transfer to the small  
4.6 community wastewater treatment account  
4.7 established in Minnesota Statutes, section  
4.8 446A.075, subdivision 1.

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

4.10 Sec. 5. **APPROPRIATION; REPORT.**

4.11 \$4,500,000 is appropriated in fiscal year 2013 from the fire safety account in the  
4.12 special revenue fund to the commissioner of public safety for activities and programs  
4.13 under Minnesota Statutes, section 299F.012. This is a onetime appropriation. By January  
4.14 15, 2014, the commissioner shall report to the chairs and ranking minority members of  
4.15 the legislative committees with jurisdiction over the fire safety account regarding the  
4.16 balances and uses of the account.