

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 | 7132 | Returned from House with amendment |
| | 7132 | Senate concurred and repassed bill |
| | 7132 | Third reading |
| 05/08/2012 | 7155 | Authors added Rest; Chamberlain; Ortman Presentment date 05/07/12 |
| | 7667 | Governor's action Approval 05/10/12 |
| | 7667 | Secretary of State Chapter 289 05/10/12 Effective date Sec. 1, 3-4, 7-8 07/01/12; Sec. 2 07/01/13; Sec. 5-6 05/11/12 |

A bill for an act

1.1 relating to appropriations; eliminating a fire safety account allocation; modifying
1.2 certain surcharges; eliminating the transfer of funds from the construction code
1.3 fund to the general fund; providing a base funding level for the fire safety
1.4 account; appropriating money for the fire safety account; requiring a report;
1.5 amending Minnesota Statutes 2010, sections 297I.06, subdivision 1; 299F.012,
1.6 by adding a subdivision; Minnesota Statutes 2011 Supplement, sections 16A.152,
1.7 subdivision 2; 297I.06, subdivision 3; 326B.148, subdivision 1; Laws 2007,
1.8 chapter 135, article 1, section 16.
1.9

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

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

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

1.18 (1) the cash flow account established in subdivision 1 until that account reaches
1.19 \$350,000,000;

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

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

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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 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.

2.34 **EFFECTIVE DATE.** This section is effective for policies issued or renewed on or
2.35 after July 1, 2013.

3.1 Sec. 3. Minnesota Statutes 2011 Supplement, section 297I.06, subdivision 3, is
3.2 amended to read:

3.3 Subd. 3. **Fire safety account, annual transfers, allocation.** A special account, to
3.4 be known as the fire safety account, is created in the state treasury. The account consists
3.5 of the proceeds under subdivisions 1 and 2. \$4,227,000 in fiscal year 2012, \$4,228,000
3.6 in fiscal year 2013, and \$2,368,000 in ~~each year thereafter~~ fiscal years 2014 and 2015 is
3.7 transferred from the fire safety account in the special revenue fund to the general fund
3.8 to offset the loss of revenue caused by the repeal of the one-half of one percent tax on
3.9 fire insurance premiums.

3.10 Sec. 4. Minnesota Statutes 2010, section 299F.012, is amended by adding a subdivision
3.11 to read:

3.12 Subd. 4. Legislative intent; fire safety account. The legislature intends that all
3.13 money in the fire safety account be appropriated to the commissioner of public safety to
3.14 fund the state fire marshal's office and activities and programs under this section.

3.15 Sec. 5. Minnesota Statutes 2011 Supplement, section 326B.148, subdivision 1, is
3.16 amended to read:

3.17 Subdivision 1. **Computation.** To defray the costs of administering sections
3.18 326B.101 to 326B.194, a surcharge is imposed on all permits issued by municipalities in
3.19 connection with the construction of or addition or alteration to buildings and equipment or
3.20 appurtenances after June 30, 1971. The commissioner may use any surplus in surcharge
3.21 receipts to award grants for code research and development and education.

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

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

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

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

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

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

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

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

4.6 Sec. 6. Laws 2007, chapter 135, article 1, section 16, is amended to read:

4.7 Sec. 16. **TRANSFERS**

4.8 The commissioner of labor and industry shall
4.9 transfer \$1,627,000 by June 30, 2008, and
4.10 \$1,515,000 by June 30; of each year for fiscal
4.11 years 2009, and each year thereafter, through
4.12 2015 from the construction code fund to the
4.13 general fund.

4.14 Of the balance remaining in Laws 2005, First
4.15 Special Session chapter 1, article 3, section
4.16 2, subdivision 2, for the methamphetamine
4.17 laboratory cleanup revolving loan fund,
4.18 \$100,000 is for transfer to the small
4.19 community wastewater treatment account
4.20 established in Minnesota Statutes, section
4.21 446A.075, subdivision 1.

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

4.23 Sec. 7. **FIRE SAFETY ACCOUNT; BASE FUNDING.**

4.24 The base for the state fire marshal appropriation is \$4,487,000 in fiscal year 2014
4.25 and \$4,487,000 in fiscal year 2015. The base for the firefighter training and education
4.26 appropriation is \$2,700,000 in fiscal year 2014 and \$2,700,000 in fiscal year 2015.

4.27 Sec. 8. **APPROPRIATION; REPORT.**

4.28 \$4,500,000 is appropriated in fiscal year 2013 from the fire safety account in the
4.29 special revenue fund to the commissioner of public safety for activities and programs
4.30 under Minnesota Statutes, section 299F.012. Of this appropriation, \$500,000 is for
4.31 equipment for regional and state teams. This is a onetime appropriation. By January 15,

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- 5.1 2014, the commissioner shall report to the chairs and ranking minority members of the
5.2 legislative committees with jurisdiction over the fire safety account regarding the balances
5.3 and uses of the account.