

SENATE  
STATE OF MINNESOTA  
NINETY-THIRD SESSION

S.F. No. 361

| (SENATE AUTHORS: JASINSKI and Rest) |      |                                |                 |
|-------------------------------------|------|--------------------------------|-----------------|
| DATE                                | D-PG |                                | OFFICIAL STATUS |
| 01/17/2023                          | 204  | Introduction and first reading |                 |
|                                     |      | Referred to Taxes              |                 |
| 01/23/2023                          | 352  | Author added Rest              |                 |
|                                     |      | See HF1938                     |                 |

1.1

A bill for an act

1.2

relating to taxation; making various policy and technical changes to the fire state

1.3

aid and police state aid programs; amending Minnesota Statutes 2022, sections

1.4

6.495, subdivision 3; 477B.01, subdivisions 5, 10, 11, by adding subdivisions;

1.5

477B.02, subdivisions 2, 3, 5, 8, 9, 10, by adding a subdivision; 477B.03,

1.6

subdivisions 2, 3, 4, 5, 7; 477B.04, subdivision 1, by adding a subdivision; 477C.02,

1.7

subdivision 4; 477C.03, subdivisions 2, 5; 477C.04, by adding a subdivision;

1.8

repealing Minnesota Statutes 2022, sections 477B.02, subdivision 4; 477B.03,

1.9

subdivision 6.

1.10

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

1.11

Section 1. Minnesota Statutes 2022, section 6.495, subdivision 3, is amended to read:

1.12

Subd. 3. **Report Reports to commissioner of revenue.** (a) On or before September 15,

1.13

November 1, March 1, and June 1, the state auditor shall must file with the commissioner

1.14

of revenue a financial compliance report certifying for each relief association:

1.15

(1) the completion of the annual financial report required under section 424A.014 and

1.16

the auditing or certification of those financial reports under subdivision 1; and

1.17

(2) the receipt of any actuarial valuations required under section 424A.093 or Laws

1.18

2013, chapter 111, article 5, sections 31 to 42.

1.19

(b) The commissioner of revenue shall prescribe the content, format, and manner of the

1.20

financial compliance reports required by paragraph (a), pursuant to section 270C.30.

1.21

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024

1.22

and thereafter.

Sec. 2. Minnesota Statutes 2022, section 477B.01, is amended by adding a subdivision to read:

Subd. 1a. **Apportionment agreement.** "Apportionment agreement" means an agreement between two or more fire departments that provide contracted fire protection service to the same municipality and establishes the percentage of the population and the percentage of the estimated market value within the municipality serviced by each fire department.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024 and thereafter.

Sec. 3. Minnesota Statutes 2022, section 477B.01, subdivision 5, is amended to read:

Subd. 5. **Fire department.** (a) "Fire department" ~~includes~~ means:

(1) a municipal fire department ~~and~~;

(2) an independent nonprofit firefighting corporation;

(3) a fire department established as or operated by a joint powers entity; or

(4) a fire protection special taxing district established under chapter 144F or special law.

(b) This subdivision only applies to this chapter.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024 and thereafter.

Sec. 4. Minnesota Statutes 2022, section 477B.01, is amended by adding a subdivision to read:

Subd. 7a. **Joint powers entity.** "Joint powers entity" means a joint powers entity created under section 471.59.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024 and thereafter.

Sec. 5. Minnesota Statutes 2022, section 477B.01, subdivision 10, is amended to read:

Subd. 10. **Municipality.** (a) "Municipality" means:

(1) a home rule charter or statutory city;

(2) an organized town;

(3) ~~a park district subject to chapter 398~~ a joint powers entity;

(4) ~~the University of Minnesota~~ a fire protection special taxing district; and or

(5) an American Indian tribal government entity located within a federally recognized American Indian reservation.

(b) This subdivision only applies to this chapter ~~477B~~.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024 and thereafter.

Sec. 6. Minnesota Statutes 2022, section 477B.01, subdivision 11, is amended to read:

Subd. 11. **Secretary.** (a) "Secretary" means:

(1) the secretary of an independent nonprofit firefighting corporation that has a subsidiary incorporated firefighters' relief association or whose firefighters participate in the statewide volunteer firefighter plan; or

(2) the secretary of a joint powers entity or fire protection special taxing district or, if there is no such person, the person primarily responsible for managing the finances of a joint powers entity or fire protection special taxing district.

(b) This subdivision only applies to this chapter.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024 and thereafter.

Sec. 7. Minnesota Statutes 2022, section 477B.02, subdivision 2, is amended to read:

Subd. 2. **Establishment of fire department.** (a) An independent nonprofit firefighting corporation must be created under the nonprofit corporation act of this state operating for the exclusive purpose of firefighting, or the governing body of a municipality must officially establish a fire department.

(b) The fire department must have provided firefighting services for at least one calendar year, and must have a current fire department identification number issued by the state fire marshal.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024 and thereafter.

Sec. 8. Minnesota Statutes 2022, section 477B.02, subdivision 3, is amended to read:

Subd. 3. ~~**Personnel and Benefits requirements.** (a) A fire department must have a minimum of ten paid or volunteer firefighters, including a fire chief and assistant fire chief.~~

~~(b) The fire department must have regular scheduled meetings and frequent drills that include instructions in firefighting tactics and in the use, care, and operation of all fire apparatus and equipment.~~

~~(e)~~ (a) The fire department must have a separate subsidiary incorporated firefighters' relief association that provides retirement benefits or must participate in the statewide volunteer firefighter plan; or if the municipality solely employs full-time firefighters as defined in section 299N.03, subdivision 5, retirement coverage must be provided by the public employees police and fire retirement plan. For purposes of retirement benefits, a fire department may be associated with only one volunteer firefighters' relief association or one account in the voluntary statewide volunteer firefighter retirement plan at one time.

~~(d)~~ (b) Notwithstanding paragraph ~~(e)~~ (a), a municipality without a relief association as described under section 424A.08, paragraph (a), may still qualify to receive fire state aid if all other requirements of this section are met.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024 and thereafter.

Sec. 9. Minnesota Statutes 2022, section 477B.02, is amended by adding a subdivision to read:

Subd. 4a. **Public safety answering point requirement.** The fire department must be dispatched by a public safety answering point as defined in section 403.02, subdivision 19.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024 and thereafter.

Sec. 10. Minnesota Statutes 2022, section 477B.02, subdivision 5, is amended to read:

Subd. 5. **Fire service contract or agreement; apportionment agreement filing requirement requirements.** (a) Every municipality or independent nonprofit firefighting corporation must file ~~a copy of any duly executed and valid fire service contract or agreement~~ with the commissioner (1) a copy of any duly executed and valid fire service contracts, (2) written notification of any fire service contract terminations, and (3) written notification of any dissolution of a fire department, within 60 days of contract execution or termination, or department dissolution.

(b) If more than one fire department provides service to a municipality, the fire departments furnishing service must ~~enter into an agreement apportioning among themselves the percentage of the population and the percentage of the estimated market value of each~~

~~shared service fire department service area. The agreement must be in writing and must be~~  
~~filed~~ file an apportionment agreement with the commissioner.

(c) When a municipality is a joint powers entity, it must file its joint powers agreement with the commissioner. If the joint powers agreement does not include sufficient information defining the fire department service area of the joint powers entity for the purposes of calculating fire state aid, the secretary must file a written statement with the commissioner defining the fire department service area.

(d) When a municipality is a fire protection special taxing district, it must file its resolution establishing the fire protection special taxing district, and any agreements required for the establishment of the fire protection special taxing district, with the commissioner. If the resolution or agreement does not include sufficient information defining the fire department service area of the fire protection special taxing district, the secretary must file a written statement with the commissioner defining the fire department service area.

(e) The commissioner shall prescribe the content, format, and manner of the notifications, apportionment agreements, and written statements under paragraphs (a) to (d), pursuant to section 270C.30, except that copies of fire service contracts, joint powers agreements, and resolutions establishing fire protection special taxing districts shall be filed in their existing form.

(f) A document filed with the commissioner under this subdivision must be refiled any time it is updated within 60 days of the update. An apportionment agreement must be refiled only when a change in the averaged sum of the percentage of population and percentage of estimated market value serviced by a fire department subject to the apportionment agreement is at least one percent. The percentage amount must be rounded to the nearest whole percentage.

(g) Upon the request of the commissioner, the county auditor must provide information that the commissioner requires to accurately apportion the estimated market value of a fire department service area for a fire department providing service to an unorganized territory located in the county.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024 and thereafter.

Sec. 11. Minnesota Statutes 2022, section 477B.02, subdivision 8, is amended to read:

Subd. 8. **PERA certification to commissioner.** On or before February 1 each year, if ~~retirement coverage for a fire department is provided by the statewide volunteer firefighter~~

plan, the executive director of the Public Employees Retirement Association must certify the existence of retirement coverage. to the commissioner the fire departments that transferred retirement coverage to, or terminated participation in, the voluntary statewide volunteer firefighter retirement plan since the previous certification under this paragraph. This certification must include the number of active volunteer firefighters under section 477B.03, subdivision 5, paragraph (e).

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024 and thereafter.

Sec. 12. Minnesota Statutes 2022, section 477B.02, subdivision 9, is amended to read:

Subd. 9. **Fire department certification to commissioner.** On or before March 15 of each year, the municipal clerk or the secretary, ~~and the fire chief,~~ must jointly certify to the commissioner ~~that the fire department exists and meets the qualification requirements of this section~~ the fire department service area as of December 31 of the previous year, and that the fire department meets the qualification requirements of this section. The municipal clerk or the secretary must provide the commissioner with documentation that the commissioner deems necessary for determining eligibility for fire state aid or for calculating and apportioning fire state aid under section 477B.03. The certification must be on a form prescribed by the commissioner and must include all other information that the commissioner requires. The municipal clerk or the secretary must send a copy of the certification filed under this subdivision to the fire chief within five business days of the date the certification was filed with the commissioner.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024 and thereafter.

Sec. 13. Minnesota Statutes 2022, section 477B.02, subdivision 10, is amended to read:

Subd. 10. **Penalty for failure to file or correct certification.** (a) If the certification under subdivision 9 is not filed with the commissioner on or before March 15 ~~1~~, the commissioner must notify the municipal clerk or the secretary that a penalty ~~equal to a portion or all of the current year aid will apply if the certification is not received within ten days of the postmark date of the notification~~ will be deducted from fire state aid certified for the current year if the certification is not filed on or before March 15.

(b) If the commissioner rejects the certification by the municipal clerk or secretary under subdivision 9 for inaccurate or incomplete information, the municipal clerk or the secretary must file a corrective certification after taking corrective action as identified by the

commissioner in the notice of rejection. The corrective certification must be filed within 30 days of the date on the notice of rejection or by March 15, whichever date is later.

~~(b)~~ (c) A penalty applies to (1) a certification under subdivision 9 filed after March 15, and (2) a corrective certification under paragraph (b) filed after March 15 that is also filed more than 30 days after the date on the notice of rejection. The penalty for failure to file the certification under subdivision 9 is equal to the amount of fire state aid determined for the municipality or the independent nonprofit firefighting corporation for the current year, multiplied by ~~five~~ ten percent for each week or fraction of a week that the certification or corrective certification is ~~late~~ filed after March 15 or more than 30 days after the date on the notice of rejection. ~~The penalty must be computed beginning ten days after the postmark date of the commissioner's notification.~~ Aid amounts forfeited as a result of the penalty revert to the state general fund. Failure to receive the certification form is not a defense for a failure to file.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024 and thereafter.

Sec. 14. Minnesota Statutes 2022, section 477B.03, subdivision 2, is amended to read:

Subd. 2. **Apportionment of fire state aid.** (a) The amount of fire state aid available for apportionment, before the addition of the minimum fire state aid allocation amount under subdivision 5, is equal to 107 percent of the amount of premium taxes paid to the state upon the fire, lightning, sprinkler leakage, and extended coverage premiums reported to the commissioner by companies or insurance companies on the Minnesota Fire Premium Report, except that credits claimed under section 297I.20, subdivisions 3, 4, and 5, do not affect the calculation of the amount of fire state aid available for apportionment. This amount must be reduced by the amount required to pay the state auditor's costs and expenses of the audits or exams of the firefighters' relief associations.

(b) The total amount available for apportionment must not be less than two percent of the premiums less return premiums reported to the commissioner by companies or insurance companies on the Minnesota Fire Premium Report after subtracting the following amounts:

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

(2) one percent of the premiums reported by township mutual insurance companies and mutual property and casualty companies with total assets of \$5,000,000 or less.

(c) The commissioner must apportion the fire state aid to each municipality or independent nonprofit firefighting corporation qualified under section 477B.02 relative to the premiums reported on the Minnesota Fire Premium Reports filed under this chapter.

(d) The commissioner must calculate the percentage of increase or decrease reflected in the apportionment over or under the previous year's available state aid using the same premiums as a basis for comparison.

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

Sec. 15. Minnesota Statutes 2022, section 477B.03, subdivision 3, is amended to read:

Subd. 3. **Population and estimated market value.** (a) ~~Official statewide federal census figures~~ The most recent population estimates made by the state demographer pursuant to section 4A.02, paragraph (d), must be used in calculations requiring the use of population figures under this chapter. Increases or decreases in population disclosed by reason of any special census must not be taken into consideration.

(b) ~~The latest available~~ estimated market value property figures for the assessment year immediately preceding the year the aid is distributed must be used in calculations requiring the use of estimated market value property figures under this chapter.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024 and thereafter.

Sec. 16. Minnesota Statutes 2022, section 477B.03, subdivision 4, is amended to read:

Subd. 4. **Initial fire state aid allocation amount.** (a) The initial fire state aid allocation amount is the amount available for apportionment as fire state aid under subdivision 2, without the inclusion of any additional funding amount to support a minimum fire state aid amount under section 423A.02, subdivision 3. The initial fire state aid allocation amount is allocated one-half in proportion to the population for each fire department service area and one-half in proportion to the estimated market value of each fire department service area, including (1) the estimated market value of tax-exempt property, and (2) the estimated market value of natural resources lands receiving in lieu payments under sections 477A.11 to 477A.14 and 477A.17. The estimated market value of minerals is excluded.

(b) In the case of a municipality or independent nonprofit firefighting corporation furnishing fire protection to other municipalities as evidenced by valid fire service contracts, joint powers agreements, resolutions, and other supporting documents filed with the commissioner under section 477B.02, subdivision 5, the distribution must be adjusted



proportionately to take into consideration the crossover fire protection service. Necessary adjustments must be made to subsequent apportionments.

(c) In the case of municipalities or independent nonprofit firefighting corporations qualifying for aid, the commissioner must calculate the state aid for the municipality or independent nonprofit firefighting corporation on the basis of the population and the estimated market value of the area furnished fire protection service by the fire department as evidenced by valid fire service agreements, contracts, joint powers agreements, resolutions, and other supporting documents filed with the commissioner under section 477B.02, subdivision 5.

(d) In the case of more than one fire department furnishing contracted fire service to a municipality, the population and estimated market value in the apportionment agreement filed with the commissioner under section 477B.02, subdivision 5, must be used in calculating the state aid.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024 and thereafter.

Sec. 17. Minnesota Statutes 2022, section 477B.03, subdivision 5, is amended to read:

Subd. 5. **Minimum fire state aid allocation amount.** (a) The minimum fire state aid allocation amount is the amount derived from any additional funding amount to support a minimum fire state aid amount under section 423A.02, subdivision 3. The minimum fire state aid allocation amount is allocated to municipalities or independent nonprofit firefighting corporations with volunteer firefighters' relief associations or covered by the statewide volunteer firefighter plan. The amount is based on the number of active volunteer firefighters who are (1) members of the relief association as reported to the Office of the State Auditor in a specific annual financial reporting year as specified in paragraphs (b) to (d), or (2) covered by the statewide volunteer firefighter plan as specified in paragraph (e).

(b) For relief associations established in calendar year 1993 or a prior year, the number of active volunteer firefighters equals the number of active volunteer firefighters who were members of the relief association as reported in the annual financial reporting for calendar year 1993, but not to exceed 30 active volunteer firefighters.

(c) For relief associations established in calendar year 1994 through calendar year 1999, the number of active volunteer firefighters equals the number of active volunteer firefighters who were members of the relief association as reported in the annual financial reporting for calendar year 1998 to the Office of the State Auditor, but not to exceed 30 active volunteer firefighters.

(d) For relief associations established after calendar year 1999, the number of active volunteer firefighters equals the number of active volunteer firefighters who are members of the relief association as reported in the first annual financial reporting submitted to the Office of the State Auditor, but not to exceed 20 active volunteer firefighters.

~~(e) If a relief association is terminated as a result of~~ For a municipality or independent nonprofit firefighting corporation that is providing retirement coverage for volunteer firefighters by the statewide volunteer firefighter plan under chapter 353G, the number of active volunteer firefighters equals the number of active volunteer firefighters of the municipality or independent nonprofit firefighting corporation covered by the statewide plan as certified by the executive director of the Public Employees Retirement Association to the commissioner and the state auditor within 30 days of the date the municipality or independent nonprofit firefighting corporation begins coverage in the plan, but not to exceed 30 active firefighters.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024 and thereafter.

Sec. 18. Minnesota Statutes 2022, section 477B.03, subdivision 7, is amended to read:

Subd. 7. **Appeal.** A municipality, an independent nonprofit firefighting corporation, a fire relief association, or the statewide volunteer firefighter plan may object to the amount of fire state aid apportioned to it by filing a written request with the commissioner to review and adjust the apportionment of funds within the state. The objection of a municipality, an independent nonprofit firefighting corporation, a fire relief association, or the voluntary statewide volunteer firefighter retirement plan must be filed with the commissioner within 60 days of the date the amount of apportioned fire state aid is paid. The decision of the commissioner is subject to appeal, review, and adjustment by the district court in the county in which the applicable municipality or independent nonprofit firefighting corporation is located or by the Ramsey County District Court with respect to the statewide volunteer firefighter plan.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024 and thereafter.

Sec. 19. Minnesota Statutes 2022, section 477B.04, subdivision 1, is amended to read:

Subdivision 1. **Payments.** (a) The commissioner must make payments to the Public Employees Retirement Association for deposit in the statewide volunteer firefighter fund on behalf of a municipality or independent nonprofit firefighting corporation that is a member

of the statewide volunteer firefighter plan under chapter 353G, ~~or directly to a municipality or county designated by an independent nonprofit firefighting corporation.~~ The commissioner must directly pay all other municipalities qualifying for fire state aid, except as provided in paragraph (d). The payment is equal to the amount of fire state aid apportioned to the applicable fire state aid recipient under section 477B.03.

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

(c) If the commissioner of revenue does not receive a financial compliance report described in section 6.495, subdivision 3, for a relief association, the amount of fire state aid apportioned to a municipality or independent nonprofit firefighting corporation under section 477B.03 for that relief association must be withheld from payment to the Public Employees Retirement Association or the municipality. The commissioner of revenue must issue a withheld payment within ten business days of receipt of a financial compliance report under section 6.495, subdivision 3. The interest under paragraph (b) does not apply when to a payment has not been made by October 1 due to noncompliance with sections 424A.014 and 477B.02, subdivision 7 withheld under this paragraph.

(d) The commissioner must make payments directly to the largest municipality in population located within any area included in a joint powers entity that does not have a designated agency under section 471.59, subdivision 3, or within the fire department service area of an eligible independent nonprofit firefighting corporation. If there is no city or town within the fire department service area of an eligible independent nonprofit firefighting corporation, fire state aid must be paid to the county where the independent nonprofit firefighting corporation is located.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024 and thereafter.

Sec. 20. Minnesota Statutes 2022, section 477B.04, is amended by adding a subdivision to read:

**Subd. 4. Aid amount corrections.** (a) An adjustment needed to correct a fire state aid overpayment or underpayment due to a clerical error must be made to subsequent fire state aid payments as provided in paragraphs (b) and (c). The authority to correct an aid payment under this subdivision is limited to three years after the payment was issued.

12.1 (b) If an overpayment equals more than ten percent of the most recently paid aid amount,  
12.2 the commissioner must reduce the aid a municipality or independent nonprofit firefighting  
12.3 corporation is to receive by the amount overpaid over a period of no more than three years.

12.4 If an overpayment equals or is less than ten percent of the most recently paid aid amount,  
12.5 the commissioner must reduce the next aid payment occurring in 30 days or more by the  
12.6 amount overpaid.

12.7 (c) In the event of an underpayment, the commissioner must distribute the amount of  
12.8 underpaid funds to the municipality or independent nonprofit firefighting corporation over  
12.9 a period of no more than three years. An additional distribution to a municipality or  
12.10 independent nonprofit firefighting corporation must be paid from the general fund and must  
12.11 not diminish the payments made to other municipalities or independent nonprofit firefighting  
12.12 corporations under this chapter.

12.13 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
12.14 and thereafter.

12.15 Sec. 21. Minnesota Statutes 2022, section 477C.02, subdivision 4, is amended to read:

12.16 Subd. 4. **Penalty for failure to file or correct certification.** (a) If a certification under  
12.17 subdivision 1 or 2 is not filed with the commissioner on or before March ~~15~~ 1, the  
12.18 commissioner must notify the municipal clerk, municipal clerk-treasurer, or county auditor  
12.19 that a penalty ~~equal to a portion or all of its current year aid will apply if the certification~~  
12.20 ~~is not received within ten days~~ will be deducted from police state aid certified for the current  
12.21 year if the certification is not filed on or before March 15.

12.22 (b) If the commissioner rejects the certification under subdivision 1 or 2 for inaccurate  
12.23 or incomplete information, the municipal clerk, municipal clerk-treasurer, or county auditor  
12.24 must file a corrective certification after taking corrective action as identified by the  
12.25 commissioner in the notice of rejection. The corrective certification must be filed within  
12.26 30 days of the date on the notice of rejection, or by March 15, whichever date is later.

12.27 ~~(b)~~ (c) A penalty applies to (1) a certification under subdivisions 1 and 2 filed after  
12.28 March 15, and (2) a corrective certification under paragraph (b) filed after March 15 that  
12.29 is also filed more than 30 days after the date on the notice of rejection. The penalty for  
12.30 ~~failure to file the certification under subdivision 1 or 2~~ is equal to the amount of police state  
12.31 aid determined for the municipality for the current year, multiplied by five ~~ten~~ percent for  
12.32 each week or fraction of a week that the certification or corrective certification is late filed  
12.33 after March 15 or more than 30 days after the date on the notice of rejection. The penalty  
12.34 ~~must be computed beginning ten days after the postmark date of the commissioner's~~

13.1 ~~notification as required under this subdivision.~~ All aid amounts forfeited as a result of the  
13.2 penalty revert to the state general fund. Failure to receive the certification form may not be  
13.3 used as a defense for a failure to file.

13.4 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
13.5 and thereafter.

13.6 Sec. 22. Minnesota Statutes 2022, section 477C.03, subdivision 2, is amended to read:

13.7 Subd. 2. **Apportionment of police state aid.** (a) The total amount available for  
13.8 apportionment as police state aid is equal to 104 percent of the amount of premium taxes  
13.9 paid to the state on the premiums reported to the commissioner by companies or insurance  
13.10 companies on the Minnesota Aid to Police Premium Report, except that credits claimed  
13.11 under section 297I.20, subdivisions 3, 4, and 5, do not affect the calculation of the total  
13.12 amount of police state aid available for apportionment. The total amount for apportionment  
13.13 for the police state aid program must not be less than two percent of the amount of premiums  
13.14 reported to the commissioner by companies or insurance companies on the Minnesota Aid  
13.15 to Police Premium Report.

13.16 (b) The commissioner must calculate the percentage of increase or decrease reflected in  
13.17 the apportionment over or under the previous year's available state aid using the same  
13.18 premiums as a basis for comparison.

13.19 (c) In addition to the amount for apportionment of police state aid under paragraph (a),  
13.20 each year \$100,000 must be apportioned for police state aid. An amount sufficient to pay  
13.21 this increase is annually appropriated from the general fund.

13.22 (d) The commissioner must apportion police state aid to all municipalities in proportion  
13.23 to the relationship that the total number of peace officers employed by that municipality for  
13.24 the prior calendar year and the proportional or fractional number who were employed less  
13.25 than a calendar year as credited under section 477C.02, subdivision 1, paragraph (c), bears  
13.26 to the total number of peace officers employed by all municipalities subject to any reduction  
13.27 under subdivision 3.

13.28 ~~(e) Any necessary additional adjustments must be made to subsequent police state aid~~  
13.29 ~~apportionments.~~

13.30 **EFFECTIVE DATE.** (a) The amendment to paragraph (a) is effective the day following  
13.31 final enactment.

13.32 (b) The amendment striking paragraph (e) is effective for aids payable in calendar year  
13.33 2024 and thereafter.

14.1 Sec. 23. Minnesota Statutes 2022, section 477C.03, subdivision 5, is amended to read:

14.2 Subd. 5. **Appeal.** A municipality may object to the amount of police state aid apportioned  
14.3 to it by filing a written request with the commissioner to review and adjust the apportionment  
14.4 of funds to the municipality. The objection of a municipality must be filed with the  
14.5 commissioner within 60 days of the date the amount of apportioned police state aid is paid.  
14.6 The decision of the commissioner is subject to appeal, review, and adjustment by the district  
14.7 court in the county in which the applicable municipality is located or by the Ramsey County  
14.8 District Court with respect to the Departments of Natural Resources or Public Safety.

14.9 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
14.10 and thereafter.

14.11 Sec. 24. Minnesota Statutes 2022, section 477C.04, is amended by adding a subdivision  
14.12 to read:

14.13 Subd. 4. **Aid amount corrections.** (a) An adjustment needed to correct a police state  
14.14 aid overpayment or underpayment due to a clerical error must be made to subsequent police  
14.15 state aid payments as provided in paragraphs (b) and (c). The authority to correct an aid  
14.16 payment under this subdivision is limited to three years after the payment was issued.

14.17 (b) If an overpayment equals more than ten percent of the most recently paid aid amount,  
14.18 the commissioner must reduce the aid a municipality is to receive by the amount overpaid  
14.19 over a period of no more than three years. If an overpayment equals or is less than ten  
14.20 percent of the most recently paid aid amount, the commissioner must reduce the next aid  
14.21 payment occurring in 30 days or more by the amount overpaid.

14.22 (c) In the event of an underpayment, the commissioner must distribute the amount of  
14.23 underpaid funds to the municipality over a period of no more than three years. An additional  
14.24 distribution to a municipality must be paid from the general fund and must not diminish the  
14.25 payments made to other municipalities under this chapter.

14.26 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
14.27 and thereafter.

14.28 Sec. 25. **REPEALER.**

14.29 Minnesota Statutes 2022, sections 477B.02, subdivision 4; and 477B.03, subdivision 6,  
14.30 are repealed.

14.31 **EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2024  
14.32 and thereafter.

**477B.02 QUALIFYING FOR FIRE STATE AID.**

Subd. 4. **Equipment requirements.** The fire department must have all of the following equipment, or the equivalent as determined by the state fire marshal, by December 31 of the year preceding the certification required in subdivision 8:

- (1) a motorized fire truck equipped with:
  - (i) a motorized pump;
  - (ii) a 250-gallon or larger water tank;
  - (iii) 300 feet of one inch or larger fire hose in two lines with combination spray and straight stream nozzles;
  - (iv) five-gallon hand pumps - tank extinguisher or equivalent;
  - (v) a dry chemical extinguisher or equivalent;
  - (vi) ladders;
  - (vii) extension ladders;
  - (viii) pike poles;
  - (ix) crowbars;
  - (x) axes;
  - (xi) lanterns; and
  - (xii) fire coats, helmets, and boots;
- (2) the items in clause (1) suitably housed in a building of good construction with facilities for care of hoses and equipment;
- (3) a reliable and adequate method of receiving fire alarms by telephone or with electric siren and suitable means of sounding an alarm; and
- (4) if response is to be provided outside the corporate limits of the municipality where the fire department is located, another piece of motorized apparatus to make the response.

**477B.03 CALCULATION OF FIRE STATE AID; APPEAL.**

Subd. 6. **Corrective aid adjustments.** Any adjustments needed to correct prior misallocations must be made to subsequent fire state aid apportionments.