

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 4424

(SENATE AUTHORS: BENSON and Abeler)

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Introduction and first reading
 Referred to State Government Finance and Policy and Elections
 See SF3808, Art, 14

OFFICIAL STATUS

1.1 A bill for an act

1.2 relating to retirement; volunteer firefighter relief associations and the cities of

1.3 Ramsey and Nowthen; providing for the division of the Ramsey Volunteer

1.4 Firefighters' Relief Association and the transfer of accounts to a relief association

1.5 affiliated with the city of Nowthen.

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

1.7 Section 1. **DIVISION OF RAMSEY VOLUNTEER FIREFIGHTERS' RELIEF**

1.8 **ASSOCIATION.**

1.9 Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this

1.10 section have the meanings given them.

1.11 (b) "Account balance" means the account established for a member under the Ramsey

1.12 relief association, to which an allocation of fire state aid, contributions, forfeitures, and net

1.13 investment earnings have been credited for every year the member was eligible to receive

1.14 such funding under the bylaws of the Ramsey relief association.

1.15 (c) "Inactive or deferred Nowthen firefighter" means a firefighter who, when the

1.16 firefighter was an active firefighter, was assigned to the Nowthen fire department and whose

1.17 account in the Ramsey relief association has not yet been distributed or forfeited as provided

1.18 under the bylaws of the Ramsey relief association.

1.19 (d) "Joint powers agreement" means the city of Ramsey and city of Nowthen joint powers

1.20 fire protection agreement.

1.21 (e) "Nowthen firefighter" means a firefighter who is a member of the Ramsey relief

1.22 association and who is hired to provide firefighting services to the city of Nowthen by the

1.23 city of Nowthen or a municipality with which the city of Nowthen enters into a joint powers

agreement or an independent nonprofit firefighting corporation that provides firefighting services to the city of Nowthen.

(f) "Nowthen relief association" means a volunteer firefighters relief association to be established by the city of Nowthen or a volunteer firefighters relief association affiliated with a municipality with which the city of Nowthen enters into a joint powers agreement or a volunteer firefighters relief association affiliated with an independent nonprofit firefighting corporation that provides firefighting services to the city of Nowthen.

(g) "Other benefit recipient of a Nowthen firefighter" means a person who is entitled to receive all or a portion of a Nowthen firefighter's account under the Ramsey relief association due to the person having one of the following relationships to the Nowthen firefighter:

(1) surviving spouse;

(2) former spouse who is the alternate payee under a state domestic relations order that meets the requirements of section 414(p) of the federal Internal Revenue Code of 1986, as amended, or who is a recipient of a court-ordered distribution of marital property, as provided in Minnesota Statutes, section 518.58;

(3) nonspousal beneficiary; or

(4) the estate of the Nowthen firefighter.

(h) "Ramsey relief association" means the city of Ramsey Volunteer Firefighters' Relief Association.

Subd. 2. **Application.** This section applies, notwithstanding any provision of Minnesota Statutes, chapter 424A or 424B, if all of the following occurs:

(1) the joint powers agreement expires or is terminated by either party;

(2) the city of Nowthen establishes a fire department or enters into a joint powers agreement with another municipality to provide firefighting services for the city of Nowthen;

(3) either the city of Nowthen establishes a volunteer firefighters relief association or the municipality with which the city of Nowthen enters into a joint powers agreement has a volunteer firefighters relief association; and

(4) the Nowthen relief association includes as members one or more firefighters whose employment with the city of Ramsey terminates on or before December 31, 2021, and who are hired as firefighters by: (i) the city of Nowthen; (ii) a municipality with which the city of Nowthen enters into a joint powers agreement; or (iii) an independent nonprofit firefighting corporation that provides firefighting services to the city of Nowthen.

3.1 Subd. 3. **Transfer of Nowthen firefighter accounts.** (a) If the provisions in subdivision
3.2 2, clauses (1) to (4), occur, the Ramsey relief association shall transfer to the Nowthen relief
3.3 association the account balance for each Nowthen firefighter, each inactive or deferred
3.4 Nowthen firefighter, or other benefit recipient of a Nowthen firefighter.

3.5 (b) The Ramsey relief association shall determine, in accordance with the bylaws of the
3.6 Ramsey relief association, the account balance for each firefighter whose account is to be
3.7 transferred under paragraph (a) as of the most recent calendar year end or any later date
3.8 preceding the date of transfer on which net investment earnings are determined and credited
3.9 to accounts.

3.10 (c) The transfer of account balances shall occur no later than 30 days after the date on
3.11 which the firefighter is hired by the city of Nowthen or the municipality with which the city
3.12 of Nowthen enters into a joint powers agreement or the date on which the firefighter becomes
3.13 a member of the Nowthen relief association, if later.

3.14 (d) The transfer of account balances under this subdivision shall be considered authorized
3.15 disbursements from the special fund of the Ramsey relief association for purposes of
3.16 Minnesota Statutes, section 424A.05, subdivision 3.

3.17 (e) The Ramsey relief association shall transfer records to the Nowthen relief association
3.18 regarding service, vesting service, and account activity for each firefighter whose account
3.19 balance is transferred.

3.20 Subd. 4. **Relief association general fund assets.** The Ramsey relief association shall
3.21 transfer a proportionate share of the assets in the general fund of the Ramsey relief association
3.22 to the general fund of the Nowthen relief association. The proportion shall be equal to the
3.23 ratio that the total value of the account balances transferred to the Nowthen relief association
3.24 bears to the total value of all account balances in the Ramsey relief association on the day
3.25 immediately preceding the date of transfer.

3.26 Subd. 5. **Fire state aid.** The city of Ramsey shall transfer to the city of Nowthen a portion
3.27 of the 2021 fire state aid received by the city of Ramsey on or about October 1, 2021, based
3.28 on 2020 property value and population. The portion to be transferred shall be equal to the
3.29 amount determined by the commissioner of revenue to be attributable to the estimated
3.30 market value of property and population in the city of Nowthen fire service area, as a
3.31 percentage of the total fire state aid paid to the city of Ramsey on or about October 1, 2021.

3.32 Subd. 6. **Service credit under the Nowthen relief association.** The Nowthen relief
3.33 association shall credit each firefighter whose account balance is transferred from the Ramsey
3.34 relief association to the Nowthen relief association with the same number of years of service

4.1 credit the firefighter had been credited with under the Ramsey relief association for vesting
4.2 and any other purpose for which service credit is granted. Such service credit shall be applied
4.3 to retain the firefighter's vesting percentage in the account balance that was transferred and
4.4 shall be applied toward the firefighter's vesting percentage in all new funds allocated to the
4.5 firefighter's account in the Nowthen relief association.

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