

HOUSE OF REPRESENTATIVES

EIGHTY-SEVENTH SESSION

H. F. No. **2860**

03/14/2012 Authored by Cornish

The bill was read for the first time and referred to the Committee on Public Safety and Crime Prevention Policy and Finance

03/19/2012 Adoption of Report: Pass and re-referred to the Committee on Ways and Means

04/23/2012 Adoption of Report: Pass as Amended and Read Second Time

1.1 A bill for an act
1.2 relating to public safety; regulating the fire safety account; appropriating money
1.3 for fire safety services; amending Minnesota Statutes 2010, sections 297I.06,
1.4 subdivision 1; 299F.012, subdivision 1, by adding a subdivision; Minnesota
1.5 Statutes 2011 Supplement, sections 16A.152, subdivision 2; 297I.06, subdivision
1.6 3.

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

1.8 **ARTICLE 1**

1.9 **FIRE SAFETY ACCOUNT**

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;

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

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

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

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

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

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

Subdivision 1. **Insurance policies surcharge.** (a) Except as otherwise provided in subdivision 2, each licensed insurer engaged in writing policies of homeowner's insurance authorized in section 60A.06, subdivision 1, clause (1)(c), or commercial fire policies or commercial nonliability policies shall collect a surcharge as provided in this paragraph. Through June 30, 2012, the surcharge is equal to 0.65 percent of the gross premiums and assessments, less return premiums, on direct business received by the company, or by its agents for it, for homeowner's insurance policies, commercial fire policies, and commercial nonliability insurance policies in this state and beginning July 1, 2013, the surcharge is reduced to 0.5 percent.

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

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

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 of
3.5 the proceeds under subdivisions 1 and 2. \$4,227,000 in fiscal year 2012, \$4,228,000 in
3.6 fiscal year 2013, and \$2,368,000 in ~~each year thereafter~~ fiscal year 2012 and fiscal year
3.7 2013 is transferred from the fire safety account in the special revenue fund to the general
3.8 fund to offset the loss of revenue caused by the repeal of the one-half of one percent
3.9 tax on fire insurance premiums.

3.10 Sec. 4. Minnesota Statutes 2010, section 299F.012, subdivision 1, is amended to read:

3.11 Subdivision 1. **Authorized programs within department.** From the revenues
3.12 appropriated from the fire safety account, established under section 297I.06, subdivision
3.13 3, the commissioner of public safety may expend funds for the activities and programs
3.14 identified by the advisory committee established under subdivision 2 and recommended
3.15 to the commissioner of public safety, consistent with the distribution of funds under
3.16 subdivision 1a. The commissioner shall not expend funds without the recommendation
3.17 of the advisory committee established under subdivision 2. These funds are to be used
3.18 to provide resources needed for identified activities and programs of the Minnesota fire
3.19 service and to ensure the State Fire Marshal Division responsibilities are fulfilled.

3.20 Sec. 5. Minnesota Statutes 2010, section 299F.012, is amended by adding a subdivision
3.21 to read:

3.22 Subd. 1a. **Distribution of fire safety account.** (a) On June 30, 2013, any unallocated
3.23 balance in the fire safety account under section 297I.06, subdivision 3, is appropriated to
3.24 the commissioner of public safety to be allocated as follows: 45 percent of the unallocated
3.25 balance for the State Fire Marshal Division, and 55 percent to be distributed according to
3.26 the recommendations of the advisory committee under subdivision 2 for the Minnesota
3.27 Board of Firefighter Training and Education and for fire-related regional response team
3.28 programs and other fire service programs with potential for statewide impact.

3.29 (b) Beginning in fiscal year 2014 and thereafter, the revenue in the fire safety
3.30 account under section 297I.06, subdivision 3, is appropriated to the commissioner of
3.31 public safety to be allocated as follows: 45 percent of the unallocated balance for the State
3.32 Fire Marshal Division, and 55 percent to be distributed according to the recommendations
3.33 of the advisory committee under subdivision 2 for the Minnesota Board of Firefighter

4.1 Training and Education and for fire-related regional response team programs and other
4.2 fire service programs with potential for statewide impact.

4.3 **ARTICLE 2**

4.4 **FIRE SAFETY SERVICES APPROPRIATION**

4.5 Section 1. **FIRE SAFETY; APPROPRIATION.**

4.6 \$4,500,000 is appropriated in fiscal year 2013 from the fire safety account in the
4.7 special revenue fund to the commissioner of public safety for activities and programs
4.8 under Minnesota Statutes, section 299F.012. This is a onetime appropriation.

APPENDIX
Article locations in H2860-1

ARTICLE 1 FIRE SAFETY ACCOUNT Page.Ln 1.8
ARTICLE 2 FIRE SAFETY SERVICES APPROPRIATION Page.Ln 4.3