

*credit allowable under (a) and the carryback or carryforward allowable under this paragraph) shall in no event exceed \$50,000.*

*(c) This subdivision shall apply to property acquired in taxable years beginning on or after January 1, 1969.*

Approved June 6, 1969.

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CHAPTER 1001—H. F. No. 687

[Coded in Part]

*An act relating to firemen's relief; providing for a tax and for its distribution; providing penalties; appropriating money; amending Minnesota Statutes 1967, Sections 60A.15, Subdivision 2; 69.055; 69.31; 69.32; 424.07; and 424.08; and Chapter 69, by adding sections; repealing Minnesota Statutes 1967, Sections 60A.15, Subdivision 3; 69.01; 69.02; 69.03; 69.05; 69.34; 69.35; 69.69; 424.10; and 424.11.*

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1967, Section 60A.15, Subdivision 2, is amended to read:

Subd. 2. **Firemen's relief; tax; distribution; domestic mutual insurance companies.** Every domestic mutual insurance company *including township and farmers insurance companies* shall pay to the state treasurer *through the commissioner of insurance* on or before March 1 annually a sum equal to two percent of the gross direct fire, lightning, and sprinkler leakage premiums ~~on policies effective subsequent to January 1, 1930,~~ less return premiums on all direct business, *except auto and ocean marine fire business* received by it, or by its agents for it, in cash or otherwise, *on property located in this state,* during the preceding calendar year ~~upon business written in any municipality in this state maintaining an organized fire department, and in any municipality served by any such organized fire department under contract;~~ *provided that the existence of such department has been certified to the commissioner and.* If not paid on or before March 1 a penalty of ten percent shall accrue thereon, and thereafter such sum and penalty shall draw interest at the rate of one percent per month until paid.

Sec. 2. Minnesota Statutes 1967, Chapter 69, is amended by adding a section to read:

**Changes or additions indicated by italics, deletions by strikeout.**

**[69.011] Qualifying for state aid. Subdivision 1. Definitions.** *Unless the language or context clearly indicates that a different meaning is intended, the following words and terms shall for the purposes of chapter 69 and chapter 424 have the meanings ascribed to them:*

(a) *“Commissioner” means the commissioner of insurance and ex officio state fire marshal.*

(b) *“Municipality” means any city of any class, village, borough and organized town.*

(c) *“Minnesota Firetown Premium Report” means a blank form containing space for reporting by insurers of fire, lightning, sprinkler leakage and extended coverage premiums less return premiums and dividends received upon risks located or to be performed in this state.*

(d) *“Firetown” means any municipality having a qualified fire department or a qualified incorporated fire department having a retirement plan.*

(e) *“Average State Aid” means the sum of the amount of aid apportioned the previous two years plus the amount of aid computed for apportionment by the assessed property valuation and population basis for the current year divided by three.*

(f) *“Assessed Property Valuation” means latest available assessed value of all property in a taxing jurisdiction, whether such property is subject to taxation, or exempt from ad valorem taxation for any reason.*

**Subd. 2. Clerk to file certificate.** *On or before March 1 annually the clerk of each municipality having a duly organized fire department as provided in subdivision 4 and having a duly incorporated relief association or a special fire department fund within its treasury or the secretary of nonprofit fire fighting corporations having a relief and retirement plan or incorporated firemen’s relief association shall certify that fact to the county auditor of the county where the fire department is located and to the commissioner on a form prescribed by him together with the other facts the commissioner or auditor may require.*

**Subd. 3. Failure to file certificate deemed waiver.** *If the certificate required by this section is not filed with the commissioner within the time prescribed by this section the municipality or nonprofit fire fighting corporation shall be deemed to have relinquished its rights for the year to the benefits under this chapter. Failure to receive the certificate form cannot be used as a defense for not filing.*

**Changes or additions indicated by italics, deletions by ~~strikeout~~.**

*Subd. 4. Qualification for state aid. Any municipality in this state having for more than one year an organized fire department and officially established by the governing body of the municipality or an independent nonprofit fire fighting corporation created under the nonprofit corporation act of this state and operating exclusively for fire fighting purposes and providing retirement and relief benefits to its members or having a separate incorporated firemen's relief and pension association providing retirement and relief benefits may qualify to receive state aid if it meets the following minimum requirements:*

*(a) Ten paid or volunteer firemen including a fire chief and assistant fire chief, and*

*(b) Regular scheduled meetings and frequent drills including instructions in fire fighting tactics and in the use, care, and operation of all fire apparatus and equipment, and*

*(c) A motorized fire truck equipped with a motorized pump, 250 gallon or larger water tank, 300 feet of one inch or larger fire hose in two lines with combination spray and straight stream nozzles, five-gallon hand pumps — tank extinguisher or equivalent, dry chemical extinguisher or equivalent, ladders, extension ladders, pike poles, crow bars, axes, lanterns, fire coats, helmets, and*

*(d) Apparatus suitably housed in a building of good construction with facilities for care of hose and equipment, and*

*(e) A reliable and adequate method of receiving fire alarms by telephone or with electric siren and suitable means of sounding an alarm, and*

*(f) If response is to be provided outside the corporate limits of the municipality wherein the fire department is located, the municipality has another piece of motorized apparatus to make the response, and*

*(g) Other requirements the commissioner establishes by rule.*

**Subd. 5. Fire departments to be inspected by state fire marshal.** *It shall be the duty of the state fire marshal or his appointed deputy or designated assistants to inspect, or cause to be inspected, at the time other public buildings are inspected, the fire department of any municipality or nonprofit fire fighting corporations in this state; and, for that purpose, he or any of his deputies or designated assistants shall have the right to enter or have access thereto at any reasonable hour. When upon inspection, it is found that the fire department inspected does not conform to the requirements of subdi-*

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*vision 4 of this section he shall make a report of the fact and the commissioner shall disqualify the municipality or nonprofit fire fighting corporation from participation in the state aid apportionment provided for in chapters 69 and 424.*

Sec. 3. Minnesota Statutes 1967, Chapter 69, is amended by adding a section to read:

**[69.021] Subdivision 1. Minnesota firetown premium report.** *The commissioner of insurance shall, at the time he mails annual statement and tax forms, send blank copies of the Minnesota Firetown Premium Report to each insurer, including township and farmers mutual insurance companies licensed to write fire, lightning, sprinkler leakage, and extended coverage or additional lines insurance in the state. This report shall contain space for the insurers name, address, gross premiums less return premiums, dividends, net premiums, certification and other facts the commissioner may require.*

**Subd. 2. Report of premiums.** *Each fire insurer, including township and farmers mutual fire insurers, shall return to the commissioner with its annual financial statement a report certified by its secretary and president or chief financial officer. The report shall contain a true and accurate statement of the total premium for all gross direct fire, lightning, and sprinkler leakage insurance of all domestic mutual insurers and the total premiums for all gross direct fire, lightning, sprinkler leakage and extended coverage insurance of all other insurers, less return premiums and dividends received by them on that business written or done during the preceding calendar year upon property located within the state or brought into the state for temporary use. The fire and extended coverage portion of multi-peril and multiple peril package premiums and all other combination premiums shall be determined by applying percentages determined by the commissioner or by rating bureaus recognized by the commissioner.*

**Subd. 3. Penalty for fraudulent, incorrect, incomplete returns and late filing of report.** *When it appears that any insurer has made an incomplete or inaccurate report the commissioner shall return the report and demand that a complete and accurate report be filed with him. If the insurer fails to file a report by March 1, annually, or within 30 days after demand by the commissioner the insurer shall be liable and shall pay \$25 for each seven days delinquent or fraction thereof.*

*Any insurer who knowingly makes and files an inaccurate or false report shall be liable to a fine of not less than \$25 nor more than \$1,000 and the commissioner may revoke the insurer's certificate of authority.*

**Changes or additions indicated by italics, deletions by ~~strikeout~~.**

*If any person whose duty it is to make the report fails or refuses to make it within 30 days after notification by the commissioner he shall be fined not more than \$1,000. Failure of the insurer to receive a reporting form shall not excuse the insurer from filing the report.*

**Subd. 4. Certification to state auditor.** *Within four months after March 1 the commissioner shall certify to the state auditor the name of each county qualified to receive state aid and the amount of state aid each county is to receive. At the same time the commissioner shall certify to each county auditor the municipalities or independent fire departments in such county who have qualified to receive state aid and other information he deems necessary to carry out the requirements of this section.*

**Subd. 5. Calculation of state aid.** *The amount of state aid available for apportionment shall be two percent of the fire, lightning, sprinkler leakage and extended coverage premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report. The amount shall not be greater or lesser than the amount of premium taxes paid to the state upon the premiums. The commissioner shall calculate the percentage of increase or decrease reflected in the apportionment over or under the previous years available premiums using the same premiums as a basis for comparison.*

**Subd. 6. Calculation of apportionment of aid to counties.** *One half of the state aid available shall be distributed to the counties in proportion to their population as shown by the last statewide federal census. One half of the state aid available shall be distributed to the counties in proportion to their assessed property valuation, excluding mineral values.*

*In the case of incorporated or municipal fire departments furnishing fire protection service to areas in other counties as evidenced by valid fire service contracts filed with the commissioner of insurance and county auditor the distribution to the respective counties shall be adjusted proportionately to take into consideration the crossover fire protection service. Until 1975 the amount of aid apportioned to each county shall not be less than 100 percent nor more than 150 percent of the average state aid calculated for apportionment to the county. Provided that if the amount of aid so calculated is either greater or less than the amount of aid available as calculated in subdivision 5 each county's proportionate share of the state aid shall be reduced or increased on a percentage basis so that the amount of aid apportioned shall not exceed the amount of tax collected. No county shall receive less than provided for under this subdivision.*

**Subd. 7. Apportionment of aid to municipalities and fire-**

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**men's relief associations by county auditor.** *The county auditor shall apportion the state aid received by him to each municipality and/or firemen's relief association certified to him by the commissioner in the same manner that state aid is apportioned to the counties, one half in proportion to the population and one half in proportion to the assessed property valuation of the fire towns in the county for which aid is proportioned. Until 1975 the county auditor shall apportion the amount of aid to each municipality and/or firemen's relief association in an amount not less than 100 percent nor more than 150 percent of the average state aid calculated for apportionment to the municipality and/or firemen's relief association. Provided that if the amount of aid so calculated is either greater or less than the amount of aid available as calculated in subdivision 5 each municipality's and/or firemen's relief association's proportionate share of the state aid shall be reduced or increased on a percentage basis so that the amount of aid apportioned shall not exceed the amount of tax collected. No municipality and/or firemen's relief association shall receive less than provided for under this subdivision.*

*In the case of municipalities or independent fire departments qualifying for the aid the county auditor shall calculate the state aid for the municipality or relief association on the basis of the population and the property valuation of the area furnished fire protection service by the fire department as evidenced by duly executed and valid fire service agreements filed with him. If one or more fire departments are furnishing contracted fire service to an area only the population and valuation of the area served by each fire department shall be considered in calculating the state aid or the fire departments furnishing service may enter into an agreement apportioning among themselves the percent of the population and the assessed property valuation of service area. Agreement shall be in writing and filed with the county auditor and the commissioner.*

*In the case of cities of the first and second class the state aid calculated shall be paid directly to the treasurer of the relief association. In the case of all other municipalities and independent fire department relief associations or retirement plans the aid shall be paid to the treasurer of the municipality where the fire department is located and the treasurer of the municipality shall within 30 days transmit the aid to the relief association if the relief association has filed a financial report with the treasurer of the municipality and has met all other statutory provisions pertaining to the aid apportionment.*

*The county auditor and commissioner are hereby empowered to make rules and regulations to permit the administration of the provisions of this section.*

**Changes or additions indicated by italics, deletions by ~~strikeout~~.**

*Subd. 8. Population and valuation. In computations requiring the use of population figures only statewide federal census figures are to be used. Increases or decreases in population disclosed by reason of any special census shall not be taken into consideration.*

*In calculations requiring the use of assessed property valuation figures only the latest available assessed property valuation figures are to be used.*

*Subd. 9. Appeal. In the event that any fire department feels itself to be aggrieved, it may request the county board of the county wherein the fire department is located to review and adjust the apportionment of funds within the county and the decision of the county board shall be subject to appeal, review, and adjustment by the district court in the county.*

Sec. 4. Minnesota Statutes 1967, Chapter 69, is amended by adding a section to read:

**[69.031] Auditors warrant, appropriation and payment.**  
*Subdivision 1. Auditors warrant. At the end of the fiscal year, the state auditor shall issue to the auditor of each county certified to him by the commissioner his warrant for an amount equal to the amount certified to by the commissioner pursuant to section 3.*

*Subd. 2. Payment. The state treasurer shall, upon presentation to him of the warrant of the state auditor as provided for in this section, pay out of the general revenue fund of the state the amount thereof to the auditor of the county presenting the warrant.*

*Subd. 3. Appropriations. There is hereby appropriated annually from the state general revenue fund to the counties who are entitled to payments under sections 3 and 4 an amount sufficient to make the payments specified in these sections not exceeding the tax collected.*

*Subd. 4. County auditor duties. When the county auditor receives the state aid provided for in subdivision 1, he shall immediately deposit it in a special fund for fire departments and firemen's relief associations and as soon as possible before July 31, annually calculate and disburse the funds to the municipalities having fire departments and firemen's relief associations who have qualified for aid within the county.*

*Subd. 5. Deposit of state aid. The municipal treasurer, when the state aid and tax is received by him, shall within 30 days after receipt pay it over to the treasurer of the duly incorporated firemen's relief association if there is one organized, but if there is no re-*

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*relief association organized, or if any association dissolve, be removed, or has heretofore dissolved, or has been removed as trustees of state aid, then the treasurer of the municipality shall keep the money in a special fire department fund in the municipal treasury as provided for in sections 424.30 and 424.31 and shall be disbursed only for the purposes and in the manner set forth in those sections.*

Sec. 5. Minnesota Statutes 1967, Chapter 69, is amended by adding a section to read:

**[69.051] Financial report, bond, examination.** *Subdivision 1. Financial report of association. The secretary and treasurer of each duly incorporated fire department relief association shall annually prepare and sign jointly a detailed financial report of the association's receipts, disbursements and balances in its special and general funds for the preceding calendar year ending December 31, showing for what purpose the money has been paid and expended and any other information the state public examiner may require, and, on or before March 1 following, file a copy with the treasurer of the municipality wherein the relief association is located and a copy with the state public examiner. No money shall be paid over by the treasurer of the municipality to an association until the report is filed with the treasurer of the municipality.*

*Subd. 2. Treasurers bond. No treasurer of a relief association shall enter upon his duties until he has given the association a good and sufficient bond in an amount set by the association for the faithful discharge of his duty according to law.*

*Subd. 3. Report of special fire department fund. The treasurer of each municipality having an organized fire department and not having a duly incorporated firemen's relief association shall annually prepare a certified detailed financial report of the special fire department fund showing receipts, disbursements and balances of the fund for the preceding calendar year, showing for what purposes the money has been paid and expended and any other information the state public examiner may require, and, on or before March 1 following, file a copy with the state public examiner and the county auditor. No state aid shall be paid to the municipality if the report is not filed with the county auditor by the due date.*

*Subd. 4. Examination by public examiner. The detailed financial report of relief associations and municipal special fire department funds shall be examined by the public examiner, and he may examine other financial records and accounts of associations and municipalities as he deems necessary, and when he finds that the money,*

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*or any part thereof, paid under the provisions of Minnesota Statutes, Chapter 69, has been or is being expended for an unauthorized purpose, he shall order the funds to be restored and report to the commissioner, upon whose direction to the county auditor no further warrants shall be issued to the municipality or duly incorporated fire department relief association until the money expended has been replaced.*

Sec. 6. Minnesota Statutes 1967, Section 69.055, is amended to read:

**69.055 Persons under the age of 18; persons not entitled to benefits.** *Subdivision 1. Minors.* It is unlawful to employ a minor under the age of 18 as a volunteer fireman or to permit him to serve with a volunteer fire department.

*Subd. 2. Minors, substitutes, probationers.* *No one serving as a substitute or on probation, nor any fireman in a municipality having an association who is not a member of it, shall be deemed a fireman within the meaning of this chapter and no nonmembers shall be entitled to benefits specified in this chapter.*

*Subd. 3. Other exclusions.* *Each firemen's relief association shall have the right to exclude all applicants for membership who are not physically and mentally sound, so as to prevent unwarranted risks for the association. Additional requirements for entrance fees and annual dues for membership in the association may from time to time be prescribed in the bylaws of the association.*

Sec. 7. Minnesota Statutes 1967, Section 69.31, is amended to read:

**69.31 Reports of officers.** The secretary and the treasurer of each such association, prior to ~~the first day of February~~ *March 1* each year, shall ~~jointly~~ prepare and sign *jointly*, with the approval of the association's board of trustees, a detailed and itemized report of all receipts and expenditures in the association's special fund for the preceding calendar year showing the source of the receipts, ~~to whom~~ and for what purpose the moneys have been paid and expended, and the balance in the fund. They shall file duplicate original copies thereof with the clerk of the city in which the association is located ~~and~~, with the state *public examiner and county* auditor. No money shall be paid to a relief association by either the ~~state~~ *county* or the ~~city~~ *municipality* in which the association is located until the report is so filed.

Sec. 8. Minnesota Statutes 1967, Section 69.32, is amended to read:

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69.32 **City clerk to file report with commissioner.** The clerk of each city of the first class having a firemen's relief association shall, on or before ~~the 31st day of October~~ *March 1* each year, make and file with the *county auditor and the commissioner of insurance* his certificate stating the existence of the firemen's relief association *and any other information the commissioner or auditor may require.*

Sec. 9. Minnesota Statutes 1967, Section 424.07, is amended to read:

424.07 **Secretary and treasurer to prepare statement of receipts and expenditures.** The secretary and treasurer of every association, prior to ~~the first day of February in~~ *March 1* each year, shall ~~jointly~~ prepare and sign *jointly*, with the approval of the association's board of trustees, a detailed and itemized report of all receipts and expenditures in the association's special fund for the preceding calendar year, showing the source of such receipts, ~~and to whom~~ and for what purpose the money has been paid and expended, and the balance of the fund. They shall file duplicate original copies thereof with the ~~clerk~~ *treasurer* of the city in which the association is located, and with the ~~state~~ *county auditor and public examiner*. No money shall be paid to a relief association by either the ~~state of Minnesota~~ *county auditor* or the city in which the association is located until the report is filed.

Sec. 10. Minnesota Statutes 1967, Section 424.08, is amended to read:

424.08 **City clerk to file report of existence of association.** The clerk of every city of the second class having a firemen's relief association shall, on or before ~~the 31st day of October in~~ *March 1* each year, make and file with the insurance commissioner of this state *and the county auditor* his certificate stating the existence of the firemen's relief association *and any other facts the commissioner or auditor may require.*

Sec. 11. *Minnesota Statutes 1967, Sections 60A.15, Subdivision 3; 69.01; 69.02; 69.03; 69.05; 69.34; 69.35; 69.69; 424.10; and 424.11, are repealed.*

Sec. 12. *Section 2, subdivision 5, of this act is effective July 1, 1971. The rest of the act is effective January 1, 1970.*

Approved June 6, 1969.

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