

239.33 STANDARD MEASUREMENT OF WOOD.

In all contracts for sale of wood the term "cord" shall mean 128 cubic feet of wood, in four foot lengths; and if the sale is of "sawed wood," a cord shall mean 110 cubic feet when ranked, or 160 cubic feet when thrown irregularly or loosely into a conveyance for delivery to the purchaser; and if the sale is of "sawed and split wood," a cord shall mean 120 cubic feet, when ranked, and 175 cubic feet when thrown irregularly and loosely into a conveyance for delivery. If a measurement is made by weight, the term "cord" or any other term used to describe freshly cut green aspen in 100 inch or pole lengths containing 133-1/3 cubic feet of loosely or irregularly piled wood for transportation constitutes 4,300 pounds during the period of May 1 through October 31 and 4,500 pounds during the period of November 1 through April 30. Specified weights are based on 74 cubic feet of solid wood content per cord.

Approved May 30, 1985

CHAPTER 261 — H.F.No. 729

An act relating to retirement; public plans generally; amending Minnesota Statutes 1984, sections 69.011, subdivision 1; 69.26; 353.01, subdivision 2a; 353.34, by adding a subdivision; 423A.02; 423A.15; 424A.02, subdivisions 6 and 9, and by adding a subdivision; and Laws 1965, chapter 592, section 4, as amended; Laws 1969, chapters 576, sections 3, subdivision 1; and 4, subdivision 1; 950, sections 1, subdivision 1, as amended; and 4, as amended; Laws 1981, chapter 68, section 42, subdivision 1; Laws 1982, chapter 574, sections 3, subdivision 9; and 5; Laws 1983, chapter 100, section 1; and Laws 1984, chapters 564, section 48; and 574, section 18; proposing coding for new law in Minnesota Statutes, chapter 423A; repealing Laws 1945, chapter 277; Laws 1951, chapter 499; Laws 1955, chapter 75; Laws 1965, chapter 190; Laws 1967, chapter 775; Laws 1969, chapter 138; Laws 1975, chapter 120; Laws 1978, chapter 563, section 8; Laws 1979, chapter 216, sections 27 to 43; Laws 1980, chapter 600, section 16; Laws 1981, chapter 224, section 236; and Laws 1982, chapter 578, article 3, section 18.

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

Section 1. Minnesota Statutes 1984, section 69.011, subdivision 1, is amended to read:

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 this chapter and chapters 423, 424 and 424A have the meanings ascribed to them:

(a) "Commissioner" means the commissioner of revenue.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

(b) "Municipality" means any home rule charter or statutory city, organized town or park district subject to chapter 398, and the University of Minnesota.

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

(d) "Firetown" means the area serviced by any municipality having a qualified fire department or a qualified incorporated fire department having a subsidiary volunteer firefighters relief association.

(e) "Assessed Property Valuation" means latest available assessed value of all property in a taxing jurisdiction, whether the property is subject to taxation, or exempt from ad valorem taxation obtained from information which appears on abstracts filed with the commissioner of revenue or equalized by the state board of equalization.

(f) "Minnesota Aid to Police Premium Report" means a form prescribed by the commissioner for reporting by each fire and casualty insurer of all premiums received upon direct business received by it in this state, or by its agents for it, in cash or otherwise, during the preceding calendar year, with reference to insurance written for insuring against the perils contained in auto liability-bodily injury, auto liability-property damage, and auto physical damage as reported in the Minnesota business schedule of the fire and casualty insurance companies annual financial statement which each insurer is required to file with the commissioner in accordance with the governing laws or regulations less return premiums and dividends.

(g) "Peace officer" means any person:

(1) Whose primary source of income derived from wages is from direct employment by a municipality or county as a law enforcement officer on a full time basis of not less than 30 hours per week;

(2) Who has been employed for a minimum of six months prior to December 31 preceding the date of the current year's certification pursuant to subdivision 2, clause (b);

(3) Who is sworn to enforce the general criminal laws of the state and local ordinances;

(4) Who is licensed by the peace officers standards and training board and is authorized to arrest with a warrant; and

(5) Who is a member of a local police relief association to which section 69.77 applies or the public employees police and fire fund.

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(h) "Full time equivalent number of peace officers providing contract service" means the integral or fractional number of peace officers which would be necessary to provide the contract service if all peace officers providing service were employed on a full time basis as defined by the employing unit and the municipality receiving the contract service.

(i) "Retirement benefits other than a service pension" means any disbursement authorized pursuant to section 424.05, subdivision 3, clauses (2), (3) and (4).

(j) "Municipal clerk, municipal clerk-treasurer or county auditor" means the person who was elected or appointed to the specified position or, in the absence of the person, another person who is designated by the applicable governing body. In a park district the clerk is the secretary of the board of park district commissioners. In the case of the University of Minnesota, the clerk is that official designated by the board of regents.

Sec. 2. Minnesota Statutes 1984, section 69.26, is amended to read:
69.26 RELIEF ASSOCIATIONS SELF GOVERNING.

Subdivision 1. Each relief association shall be organized, operated, and maintained in accordance with its own articles of incorporation and bylaws, by firefighters, as defined in section 69.27, who are members of the fire departments. Each association shall have power to regulate its own management and its own affairs, and all additional corporate powers which may be necessary or useful; subject to the regulations and restrictions of the laws of this state pertaining to corporations not inconsistent herewith.

Subd. 2. Each relief association may provide for the participation of retired members of the fire departments in the governance of the association as each association deems appropriate. The bylaws of the associations may be amended to provide retired members the right to vote, to be elected to the board and to pay dues.

Sec. 3. Minnesota Statutes 1984, section 353.01, subdivision 2a, is amended to read:

Subd. 2a. **INCLUDED EMPLOYEES.** The following persons are included in the meaning of "public employee":

- (a) Elected or appointed officers and employees of elected officers.
- (b) District court reporters.
- (c) Officers and employees of the public employees retirement association.
- (d) Employees of the League of Minnesota Cities.
- (e) Officers and employees of public hospitals, owned or operated by or an integral part of, any governmental subdivision or governmental subdivisions.

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(f) Employees of a school district who receive separate salaries for driving their own buses.

(g) Employees of the Association of Minnesota Counties.

(h) Employees of the Metropolitan Inter-County Association.

(i) Employees of the Minnesota Municipal Utilities Association.

(j) Employees of the metropolitan airports commission if employment initially commences on or after July 1, 1979.

(k) Employees of the Minneapolis employees retirement fund, if employment initially commences on or after July 1, 1979.

(l) Employees of the Range Association of Municipalities and Schools.

(m) Employees of the soil and water conservation districts.

(n) Employees of a county historical society.

Sec. 4. Minnesota Statutes 1984, section 353.34, is amended by adding a subdivision to read:

Subd. 3b. DEFERRED ANNUITY; CERTAIN FORMER MUNICIPAL COURT JUDGES. Any person who qualified for membership in the association solely because of service as a municipal court judge, whose service as a municipal court judge was terminated by Laws 1971, chapter 951, section 9, and who elected to leave his or her accumulated deductions in the fund to qualify for a deferred annuity, may receive a deferred early retirement annuity under section 353.30, subdivisions 1, 1a, 1b, or 1c, notwithstanding the law in effect on the date of his or her termination of public service.

Sec. 5. Minnesota Statutes 1984, section 423A.02, is amended to read:

423A.02 LOCAL POLICE AND FIREFIGHTERS' RELIEF ASSOCIATION AMORTIZATION STATE AID.

Subdivision 1. Any municipality in which is located a local police or salaried firefighters' relief association to which the provisions of section 69.77, apply, unless the municipality has adopted a municipal resolution retaining the local relief association pursuant to section 423A.01, subdivision 1, shall be entitled upon annual application ~~on or before the date specified as required~~ by the commissioner of finance to receive local police and salaried firefighters' relief association amortization state aid if the municipality and the appropriate relief association both comply with the applicable provisions of sections 69.031, subdivision 5, 69.051, subdivisions 1 and 3, and 69.77. The amount of ~~local police and salaried firefighters' relief association~~ amortization state aid to which a municipality is entitled annually shall be an amount equal to the level annual dollar amount required to amortize, by December 31, 2010, the unfunded accrued liability of the special fund of the appropriate relief association as reported in the

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most recent December 31, 1978, actuarial valuation of the relief association prepared pursuant to Minnesota Statutes 1978, sections 356.215 and 356.216, and filed with the commissioner of commerce on the date of final enactment of Laws 1980, chapter 607, reduced by the dollar amount required to pay the interest on the unfunded accrued liability of the special fund of the relief association for the calendar year next following the date of final enactment of Laws 1980, chapter 607, 1981 set at the rate specified in Minnesota Statutes 1978, section 356.215, subdivision 4, clause (4). Payment of ~~local police and salaried firefighters' relief association~~ amortization state aid to municipalities shall be made directly to the municipalities involved in four equal installments on March 15, July 15, September 15 and November 15 annually. Upon receipt of the ~~local police and salaried firefighters' relief association~~ amortization state aid, the municipal treasurer shall transmit the aid amount to the treasurer of the local relief association for immediate deposit in the special fund of the relief association. The commissioner of finance shall prescribe and periodically revise the form for and content of the annual application for the ~~local police and salaried firefighters' relief association~~ amortization state aid. The amounts required to pay the ~~local police and salaried firefighters' relief association~~ amortization state aid are hereby annually appropriated from the general fund to the commissioner of finance.

Subd. 2. Any municipality which has qualified for amortization state aid under subdivision 1 shall continue upon application to be entitled to receive amortization state aid and supplementary amortization state aid authorized by Laws 1984, chapter 564, section 48, after the local police or salaried firefighters' relief association has been consolidated into the public employees police and fire fund.

Sec. 6. [423A.07] ADDITIONS TO BOARD.

Notwithstanding any other law, each local police and salaried firefighters relief association may amend its bylaws and its articles of incorporation, as necessary, to provide for the inclusion of retirees on its board.

Upon adoption of the amendments, the relief association must file a copy of the amended bylaws with the executive secretary of the legislative commission on pensions and retirement. A relief association amending its articles of incorporation must comply with any statutory requirements pertaining to the filing of amended articles of incorporation.

Sec. 7. Minnesota Statutes 1984, section 423A.15, is amended to read:

423A.15 EFFECT OF PROVISIONS FOR EXISTING DISABILITY BENEFIT RECIPIENTS.

The provisions of section 423A.06 shall apply to any member of any applicable local relief association in active service on or after March 24, 1982. The provisions of section 423A.11 shall apply to any person receiving a disability benefit from a local relief association on or after March 24, 1982. The provisions

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of section 423A.12 shall apply to any person who returns to active employment as a police officer or firefighter, whichever is applicable, after receipt of a permanent disability benefit ~~on or after March 24, 1982.~~ The provisions of section 423A.14 shall apply to any person who first commences receipt of a disability benefit after March 24, 1982.

Sec. 8. Minnesota Statutes 1984, section 424A.02, subdivision 6, is amended to read:

Subd. 6. **PAYMENT OF SERVICE PENSIONS; NONASSIGNABILITY.** The method of calculating service pensions shall be applied uniformly for all years of active service and credit shall be given for all years of active service, except as otherwise provided in this section. No service pension shall be paid to any person while the person remains an active member of the respective fire department, and no person who is receiving a service pension shall be entitled to receive any other benefits from the special fund of the relief association. No service pension or ancillary benefits paid or payable from the special fund of a relief association to any person receiving or entitled to receive a service pension or ancillary benefits shall be subject to garnishment, judgment, execution or other legal process, except as provided in section 518.611. No person entitled to a service pension or ancillary benefits from the special fund of a relief association may assign any service pension or ancillary benefit payments, nor shall the association have the authority to recognize any assignment or pay over any sum which has been assigned.

Sec. 9. Minnesota Statutes 1984, section 424A.02, subdivision 9, is amended to read:

Subd. 9. **LIMITATION ON ANCILLARY BENEFITS.** Any relief association may pay ancillary benefits which would constitute an authorized disbursement as specified in section 424A.05 subject to the following limitations:

(a) With respect to a relief association in which governing bylaws provide for a lump sum service pension to a retiring member, no ancillary benefit may be paid to any former member or paid to any person on behalf of any former member after the former member (1) terminates active service with the fire department and active membership in the relief association; and (2) commences receipt of a service pension as authorized pursuant to this section; and

(b) With respect to any relief association, no ancillary benefit paid or payable to any member, to any former member, or to any person on behalf of any member or former member, may exceed in amount the total earned service pension of the member or former member. The total earned service pension is shall be calculated using the service pension amount specified in the bylaws of the relief association and the years of service credited to the member or former member. The years of service ~~are~~ shall be determined as of (1) the date the member or former member became entitled to the ancillary benefit; or (2) the

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date the member or former member died entitling a survivor or the estate of the member or former member to an ancillary benefit. The ~~survivor~~ ancillary benefit may shall be calculated (1) without regard to whether the member or former member had attained the minimum amount of service and membership credit specified in the governing bylaws; and (2) without regard to the percentage amounts specified in subdivision 2; except that the bylaws of any relief association may provide for the payment of a survivor benefit in an amount not to exceed five times the yearly service pension amount specified in the bylaws on behalf of any member who dies before having performed five years of active service in the fire department with which the relief association is affiliated.

Sec. 10. Minnesota Statutes 1984, section 424A.02, is amended by adding a subdivision to read:

Subd. 12. TRANSFER OF SERVICE CREDIT TO NEW DISTRICT. Notwithstanding the requirements of subdivision 1 or any other law, a member of a fire department which is disbanded upon formation of a fire district to serve substantially the same geographic area, who serves as an active firefighter with the new district fire department, and is a member of the district firefighters' relief association shall be entitled to a nonforfeitable service pension from the new relief association upon completion of a combined total of 20 years active service in the disbanded and the new departments. The amount of the service pension shall be based upon years of service in the new department only, and shall be in an amount equal to the accrued liability for the appropriate years of service calculated in accordance with section 69.772, subdivision 2.

Sec. 11. Laws 1969, chapter 950, section 1, subdivision 1, as amended by Laws 1978, chapter 720, section 19, and Laws 1982, chapter 450, section 1, is amended to read:

Subdivision 1. ELIGIBILITY FOR COVERAGE. Any person who was employed by the county of Hennepin or its agencies, boards, commissions, authorities and committees prior to the effective date of this act April 14, 1982, as an employee or an officer in the classified service as defined in Laws 1965, Chapter 855, and amendatory and supplemental acts, or as an employee in the unclassified service, and who has served for five years as a county employee or an officer in the classified service, or as a county employee in the unclassified service, which need not necessarily be continuous, and which shall include time served as a county employee prior to June 8, 1965, if the person is an employee in the classified service, shall be entitled to elect to ~~retain or obtain, whichever is applicable,~~ coverage by the Hennepin county supplemental retirement program. The election to ~~retain or obtain~~ coverage may be exercised only once. ~~The election to retain coverage shall be exercised within 90 days of the effective date of this act. The election to obtain coverage and shall be exercised within 30 days of the date on which the person first becomes entitled to elect to obtain coverage.~~ No person hired, rehired, or reinstated by the county as an employee in the

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classified or unclassified service on or after April 14, 1982, shall be eligible for coverage by the Hennepin county supplemental retirement program.

Sec. 12. Laws 1969, chapter 950, section 4, as amended by Laws 1975, chapter 153, section 2, and Laws 1982, chapter 450, section 4, is amended to read:

Sec. 4. SUPPLEMENTAL RETIREMENT BENEFITS; REDEMPTION OF SHARES.

When requested to do so, in writing, on forms provided by the county, by a participant, surviving spouse, a guardian of a surviving child or an estate, whichever is applicable, the county of Hennepin shall redeem shares in the accounts of the Minnesota supplemental investment fund standing in a participant's share account record under the following circumstances and in accordance with the laws and regulations governing the Minnesota supplemental investment fund:

(1) A participant who has reached the age of at least 58 years and who is no longer employed by the county of Hennepin shall be entitled to receive the cash realized on the redemption of the shares to the credit of the participant's share account record of the person. The participant may direct request the redemption of not more than 20 percent of all or a portion of the shares in the participant's share account record of the person in any one year, but may not direct request more than one redemption in any one calendar month; provided, however, that the board of commissioners of the county of Hennepin may, upon application, in their sole discretion permit greater withdrawals in any one year. If only a portion of the shares in the participant's share account record is requested to be redeemed the person may request to redeem not less than 20 percent of the shares in any one calendar year and the redemption must be completed in no more than five years. An election is irrevocable except that a participant may request an amendment of the election to redeem all of the person's remaining shares. All requests under this paragraph are subject to application to and approval of the Hennepin county board, in its sole discretion.

(2) A participant who has terminated employment with the county of Hennepin on account of total and permanent disability shall be entitled to receive the cash realized on the redemption of the shares to the credit of the participant's share account record of the person. The board of commissioners of the county of Hennepin shall make the initial determination of whether the participant is totally and permanently disabled, but any aggrieved party may commence an action in the district court for Hennepin county for a review de novo of the decision of the county board. The proceedings in district court shall conform to the Minnesota rules of civil procedure. An appeal may be taken to the supreme court from any final order or decision of the district court in the same manner as in other civil actions. The participant may direct the redemption of all or a portion of the shares in the participant's share account record of the person, but

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in no event may the participant direct more than one redemption in each calendar month. In the event that the person becomes no longer totally and permanently disabled, the person shall owe no restitution to the county or any fund for a redemption directed pursuant to this paragraph.

If only a portion of the shares in the participant's share account record is elected to be redeemed, the disabled person may direct the redemption of not more than 20 percent of the shares in any one year; provided, however, that the board of commissioners of the county of Hennepin may, upon application, in their sole discretion permit greater withdrawals in any one year.

(3) In the event of the death of a participant leaving a surviving spouse, the surviving spouse shall be entitled to receive the cash realized on the redemption of all or a portion of the shares in the participant's share account record of the deceased spouse, but in no event may the spouse direct request more than one redemption in each calendar month year. If only a portion of the shares in the participant's share account record is elected requested to be redeemed, the surviving spouse may direct request the redemption of not more less than 20 percent of the shares in any one calendar year; provided, however, that the board of commissioners of Hennepin county may, upon application, in their sole discretion permit greater withdrawals in any one year. Redemption must be completed in no more than five years. An election is irrevocable except that the surviving spouse may request an amendment of the election to redeem all of the participant's remaining shares. All requests under this paragraph are subject to application to and approval of the Hennepin county board, in their sole discretion. Upon the death of the surviving spouse, any shares remaining in the participant's share account record shall be redeemed by the county of Hennepin and the cash realized therefrom distributed to the estate of the surviving spouse.

(4)(3) In the event of the death of a participant leaving no surviving spouse, but leaving a minor surviving child or minor surviving children, the guardianship estate of the minor child or the guardianship estates of the minor children shall be entitled to receive the cash realized on the redemption of all shares to the credit of the participant's share account record of the deceased participant. In the event of minor surviving children, the cash realized shall be paid in equal shares to the guardianship estates of the minor surviving children.

(5)(4) In the event of the death of a participant leaving no surviving spouse and no minor surviving children, the estate of the deceased participant shall be entitled to receive the cash realized on the redemption of all shares to the credit of the participant's share account record of the deceased participant.

(6) A participant who has terminated employment with the county of Hennepin, who does not qualify pursuant to the provisions of paragraphs (1) through (5) and who became a participant in the Hennepin county supplemental retirement program prior to or after the effective date of this act and who previously had not redeemed any shares in the program shall be entitled to

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receive the total amount of the cash realized on the redemption of all shares to the credit of the participant's share account record.

Sec. 13. Laws 1983, chapter 100, section 1, is amended to read:

Section 1. WITHDRAWAL FROM PARTICIPATION.

Notwithstanding Laws 1982, chapter 450, or any other law to the contrary, a Hennepin county employee currently participating in the Hennepin county supplemental retirement program pursuant to Laws 1982, chapter 450 may, within a period of 180 days after the effective date of this section, in the event of an unforeseeable emergency, apply to the county to discontinue participation in the program. Employees who are no longer participating in the program may apply for the redemption of all shares credited to their share account record. Applications are subject to approval of the Hennepin county board of commissioners in its sole discretion. For the purposes of this section, the term "unforeseeable emergency" shall mean a severe financial hardship to the participant resulting from a sudden and unexpected illness or accident of the participant or a person dependent upon the participant, loss of participant's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant. Applications based on foreseeable expenditures normally budgetable shall not be approved. A participant exercising the option provided by this section shall be ineligible for further participation in the supplemental retirement program.

Sec. 14. Laws 1981, chapter 68, section 42, subdivision 1, is amended to read:

Sec. 42. THIEF RIVER FALLS POLICE; SURVIVOR BENEFITS.

Subdivision 1. **BENEFITS.** Notwithstanding Minnesota Statutes, section 423.58, when a service pensioner, disability pensioner, deferred pensioner, or an active member of the Thief River Falls police relief association dies, leaving a surviving spouse, one or more surviving children, or both, the surviving spouse and child or children shall be entitled to a pension or pensions as follows:

(1) To the surviving spouse a pension in an amount not to exceed ~~\$250~~ \$300 per month payable for life; provided, however, that if the surviving spouse shall remarry, the pension shall terminate as of the date of remarriage.

(2) To the child or children, until the child reaches the age of 18 years, a monthly benefit in an amount not to exceed \$125 per month. Payments for the benefit of any qualified dependent child under the age of 18 years shall be made to the surviving parent or if none, to the legal guardian of the child. The maximum monthly benefit for any one family shall not exceed \$750. If the member shall die under circumstances which entitle his surviving spouse and dependent children to receive benefits under the workers' compensation law, the

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amounts so received by them shall not be deducted from the benefits payable under this section.

(3) Pensions payable to a surviving spouse pursuant to paragraph (1) shall be adjusted annually on January 1, 1986, and January 1 of each year thereafter in proportion to salary increases paid to active patrolmen by the city during the preceding calendar year, to a maximum of three and one-half percent in any calendar year. In no event shall the pension of a surviving spouse exceed \$600 per month.

Sec. 15. Laws 1982, chapter 574, section 3, subdivision 9, is amended to read:

Subd. 9. **PREVAILING PAY.** "Prevailing pay" means the monthly basic salary and the maximum holiday pay, multiplied by the maximum percentage of longevity. Monthly basic salary, maximum holiday pay, and the percentage of longevity are determined in accordance with the unit employment contract of the police department in effect from time to time or, in the case of police officers not covered by the unit employment contract, by other contracts in effect from time to time. No pension shall be reduced by reason of the employment of a successor at a lower prevailing pay. In the case of police officers who are required to accept a position of lower rank prior to their retirement, the pension shall be based on the prevailing pay of the higher rank.

Sec. 16. Laws 1982, chapter 574, section 5, is amended to read:

Sec. 5. **VIRGINIA POLICE; BENEFIT CHANGES FOR PARTICIPANTS.**

If the bylaws so authorize, the following changes shall be effective:

(a) The service pension payable to persons who retired from the police department on or before January 12, 1966, shall be supplemented by \$50 ~~\$100~~ per month.

(b) For any participant who terminated employment after 20 or more years of service, the amount of the monthly service pension payable after the participant has attained the age of at least 50 years shall be equal to one-half of the prevailing pay of a police officer of the rank and position held by the participant for a period of at least six months prior to termination of service, or to the rank and position most analogous thereto, payable by the police department in each month during which the retired participant receives a service pension.

(c) The amount of a monthly disability pension shall be equal to one-half of the prevailing pay of a police officer of the rank and position held by the participant for a period of at least six months prior to his or her disability or the rank and position most analogous thereto, payable by the police department in

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each month during the period of the participant's disability, subject to any integration of benefits.

(d) The benefit paid to the surviving spouse of a participant who died on or before January 11, 1967, shall be increased by ~~\$25~~ \$50 per month, until the surviving spouse's death or remarriage.

(e) The benefit paid to a surviving child shall be increased to \$50 per child per month, subject to any limitation placed on the total amount of survivor's benefits.

Sec. 17. Laws 1984, chapter 564, section 48, is amended to read:

Sec. 48. ANNUAL APPROPRIATION SUPPLEMENTARY AMORTIZATION STATE AID.

There is appropriated and transferred from the general fund to the commissioner of finance, \$1,000,000 annually for distribution among those ~~local police and salaried firefighters relief associations~~ municipalities that receive amortization state aid according to Minnesota Statutes, section 423A.02. Distribution shall be made according to that proportion the unfunded accrued liability of each relief association bears to the total unfunded accrued liabilities of all relief associations as reported in the ~~most recent~~ December 31, 1983, actuarial valuations of the relief associations that receive amortization state aid according to section 423A.02. Moneys shall be distributed ~~to the relief associations~~ at the same time fire and police department state aid is distributed according to section 69.021.

Sec. 18. Laws 1984, chapter 574, section 18, is amended to read:

Sec. 18. BUHL POLICE RETIREMENT BENEFITS.

Notwithstanding the limitation contained in Minnesota Statutes, section 423.55 or any other law, the bylaws of the Buhl police relief association may be amended to provide for the payment of a an annual service pension equal to ~~65~~ 85 percent of the ~~monthly~~ base pay of a member at for the 12-month period immediately preceding the time of retirement from the police department. All other provisions of section 423.55 shall apply to the extent not inconsistent with this section.

In addition, the bylaws of the Buhl police relief association may be amended to provide for the recalculation of the service pension payable to a current retiree. The increased service pension may be equal to 85 percent of the total pay of the retired member for the 12-month period immediately preceding the time of retirement from the police department.

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Sec. 19. EVELETH POLICE AND FIREFIGHTERS; BENEFIT INCREASE.

Notwithstanding any general or special law to the contrary, in addition to other benefits payable, retirement benefits payable to retired police officers and firefighters and the surviving spouses thereof by the Eveleth police and fire trust fund may be increased by \$25 per month. Increases may be made retroactive to January 1, 1985.

Sec. 20. NEW ULM POLICE RELIEF ASSOCIATION.

Subdivision 1. BENEFIT INCREASE FOR RETIREES. The New Ulm police relief association is authorized to pay any retired member of the association a supplemental benefit of \$80 per month from the date the retired member is eligible to receive benefits from the association until the member reaches the age of 65 years. This benefit shall be available to only those members retiring after the effective date of this section.

Subd. 2. FINANCING. The cost of the additional benefit provided by subdivision 1 will be paid by a 0.75 percent increase in the payroll deduction of the covered payroll of members of the New Ulm police relief association. Any cost of the additional retirement benefits not covered by the increase in payroll deduction shall be reimbursed to the association by the city of New Ulm.

Sec. 21. STEVENS COUNTY MEMORIAL HOSPITAL EMPLOYEES.

Subdivision 1. REFUND OF CONTRIBUTIONS. A member of the public employees retirement association who was employed by the Stevens county memorial hospital on the date the hospital was taken over by a private corporation or organization shall be paid a refund of accumulated employee and employer contributions made by or on behalf of the employee to the association, plus interest thereon at the rate of six percent per annum. If an employee has previously received a refund of employee contributions, only the employer contributions plus the total interest shall be refunded. No employer additional contributions are to be refunded.

Subd. 2. DEFERRED ANNUITY. If an employee described in subdivision 1 had at least five years of allowable service credit, the employee may elect to receive, in lieu of the refund, a deferred annuity pursuant to Minnesota Statutes, section 353.34, subdivision 3, notwithstanding the length of service requirements contained therein. An employee eligible for a deferred annuity who has previously received a refund of employee contributions may reinstate his or her eligibility for a deferred annuity by repaying the amount refunded, including any interest received, to the association.

Subd. 3. DEADLINE. Refunds shall be paid or options exercised and repayments of refunds made prior to July 1, 1986.

Changes or additions are indicated by underline, deletions by ~~strikeout~~.

Sec. 22. CITY OF ST. PAUL MODEL CITIES HEALTH CENTER PROJECT EMPLOYEES.

Subdivision 1. REFUND OF CONTRIBUTIONS. A member of the public employees retirement association who is employed by the city of St. Paul and assigned to the model cities health center project on the date the project is taken over by a private corporation or organization must, upon the employee's request, be paid a refund of accumulated employee and employer contributions made by or on behalf of the employee to the association, plus interest at the rate of six percent per year. If an employee has previously received a refund of employee contributions, only the employer contributions plus the total interest may be refunded. No employer additional contributions are to be refunded.

Subd. 2. DEFERRED ANNUITY. If an employee described in subdivision 1 had at least five years of allowable service credit, the employee may elect to receive, instead of the refund, a deferred annuity under Minnesota Statutes, section 353.34, subdivision 3, notwithstanding the length of service requirements contained in that subdivision. An employee eligible for a deferred annuity who has previously received a refund of employee contributions may reinstate his or her eligibility for a deferred annuity by repaying the amount refunded, including any interest received, to the association.

Subd. 3. DEADLINE. Refunds must be paid or options exercised and repayments of refunds made within one year of the date the model cities health center project is taken over by a private corporation or organization.

Sec. 23. OWATONNA CITY HOSPITAL.

Refunds authorized by Laws 1984, chapter 574, section 31, may be paid prior to July 1, 1985.

Sec. 24. TEMPORARY PROVISION; COUNTY HISTORICAL SOCIETY EMPLOYEES.

Section 3 applies to county historical society employees first employed on or after July 1, 1985. Employees first employed prior to July 1, 1985, may elect membership effective commencing on that date by filing notice of their election with the board of trustees of the association prior to September 1, 1985. Elected coverage shall not be retroactive for service prior to July 1, 1985, and no purchase of prior service credit shall be allowed.

Sec. 25. MOORHEAD POLICE AND FIREFIGHTERS; RETIREMENT COVERAGE FOR ACTIVE MEMBERS.

Subdivision 1. TRANSFER OF COVERAGE. Notwithstanding any other law, deferred recipients or active police officers and firefighters employed by the police and fire departments of the city of Moorhead on the effective date of sections 25 to 31 who receive their pension and retirement coverage from either the Moorhead police or firefighters relief association cease to be members of their respective association, and cease to accrue service credits, rights, or benefits from their respective relief association on August 1, 1985. On August 1,

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1985, active police officers and firefighters employed by the city of Moorhead who meet the requirements of Minnesota Statutes, section 353.64, become members of the public employees police and fire fund established pursuant to Minnesota Statutes, sections 353.63 to 353.68. Their service before August 1, 1985, as police officers and firefighters with the city of Moorhead must be credited as allowable service by the public employees police and fire fund for purposes of Minnesota Statutes, section 353.01, subdivision 16.

Subd. 2. CALCULATION OF LIABILITY. The liability for service before August 1, 1985, to be transferred to the police and fire fund must be calculated by the actuary for the police and fire fund based on the following data for each active police officer and firefighter: date of birth, date of entry into service, dates of breaks in service, and salaries for each of the highest five successive years of service. The liability must be calculated as of August 1, 1985, as if each police officer and firefighter were a member of the police and fire fund from the original date of entry into service under the laws governing the police and fire fund on January 1, 1985. The actuary of the police and fire fund shall calculate this liability before the approval of sections 25 to 31 by the city of Moorhead.

The legislative commission on pensions and retirement must approve the calculations of liabilities upon the recommendation of its actuary. The actuary for the police and fire fund shall furnish documents, data, and materials requested by the commission and its actuary.

The city of Moorhead shall pay a required portion of the calculated liability to the police and fire fund. The required portion shall be an amount equal to the percentage which the assets of the police and fire fund bear to the accrued liability of the fund as determined in the June 30, 1984, valuation of the fund.

The required portion of the liability for the service of the police officers and firefighters before August 1, 1985, must be added to the liability of the police and fire fund. The city of Moorhead shall certify the records upon which the liability calculations are performed and shall amortize the amount of that added liability as provided in section 27, subdivision 2.

Sec. 26. RETIREMENT COVERAGE FOR CURRENT RECIPIENTS OF BENEFITS.

Current recipients of retirement benefits, disability benefits, or survivor benefits paid by either relief association shall receive future benefits from the police and fire fund with future adjustments from the Minnesota postretirement investment fund, called the postretirement fund in sections 27 to 30, pursuant to Minnesota Statutes, section 11A.18.

The relief associations shall obtain estimates of reserves for current or deferred benefit recipients from the actuary of the police and fire fund. The

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estimates must be of the reserves necessary to support a benefit in an amount equal to that received by each recipient in July 1985, plus future adjustments from the postretirement fund, assuming the recipient was retiring at his or her attained age as of July 31, 1985, from the police and fire fund on that date. The calculation must be made using the interest assumption of the postretirement fund and the applicable police and fire fund mortality table. For recipients with eligible spouses, the reserves must include the right of the spouse to receive a surviving spouse benefit as provided by the laws and the bylaws governing the relief association as of January 1, 1985.

The relief association shall compile a list of recipients to receive future benefit adjustments from the postretirement fund, called the postfund recipients and the corresponding required reserves for those recipients. The relief association shall provide the board of the public employees retirement association with the list so that the board can pay the August 1985 payments.

The accrued liability as of July 31, 1985, for all postfund recipients must be added to the liability of the police and fire fund and ceases to be the liability of each relief association. The police and fire fund shall transfer the required reserves for the postfund recipients to the postretirement fund by July 31, 1985.

The required reserves for the January 1, 1986, increase determined using the interest assumption of the postretirement fund and the applicable police and fire fund mortality table shall be transferred by the police and fire fund to the postretirement fund on January 1, 1986. If any assets remain in either the Moorhead police relief association or in the special fund of the Moorhead firefighters relief association after the transfer of assets for the postfund recipients, those assets must be transferred to the public employees retirement association to reduce the unfunded accrued liability resulting from transfer of the liability of the active employees. If the assets transferred for the postfund recipients are insufficient, the city shall finance the remaining unfunded accrued liability as provided in section 27, subdivision 3.

Future adjustments, pursuant to Minnesota Statutes, section 11A.18, must be calculated on the annuity or benefit amount payable by either relief association in July 1985. For the purposes of determining and paying the January 1, 1986, adjustment from the postretirement fund, the adjustment must be calculated as though June 30, 1984, were the effective date of retirement for each postfund recipient.

Sec. 27. FINANCIAL REQUIREMENTS FOR CITY OF MOORHEAD.

Subdivision 1. RECEIPT OF STATE AID. Amortization state aid, fire state aid, or other money received by the city for pension purposes must be allocated by the city among the financial requirements of this section.

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Subd. 2. FINANCIAL REQUIREMENTS OF POLICE AND FIRE FUND MEMBERS. The city of Moorhead shall make the employer contribution to the police and fire fund on behalf of all active police officers and firefighters employed by the police and fire departments as required in Minnesota Statutes, section 353.65, subdivision 3.

In addition, the city shall make an additional contribution to the police and fire fund to amortize the unfunded accrued liability incurred by the police and fire fund as a result of the crediting of service before August 1, 1985. The additional contribution must be the level annual dollar amount that is required to amortize by the year 2010 the unfunded accrued liability incurred as a result of the consolidation, using an interest assumption of eight percent. The additional contribution is payable at the beginning of each fiscal year, commencing July 1, 1986. Upon request of the city of Moorhead, the board may permit the city to make payments according to a different schedule.

Subd. 3. FINANCIAL REQUIREMENTS FOR POSTFUND RECIPIENTS. The city of Moorhead shall amortize the unfunded accrued liability incurred by the police and fire fund as a result of the transfer of reserves by the police and fire fund to the postretirement fund for the postfund recipients. That liability, if any, calculated by the police and fire fund actuary as provided in section 26, must be amortized and paid in the same manner as the unfunded liability incurred as a result of the consolidation, as provided in subdivision 2, except that the amortization period must be equal to the average life expectancy of the postfund recipients as of August 1, 1985. The actuary of the police and fire fund shall determine the period of amortization based on the mortality tables applicable to the police and fire fund.

Subd. 4. LEVY AUTHORITY. The city of Moorhead shall levy to provide for the financial requirements of subdivisions 2 and 3. Notwithstanding any other law, any levy required to provide the necessary financing is not included in any limitation as to rate or amount set by charter and is a special levy for purposes of Minnesota Statutes, section 275.50, subdivision 5, clause (o).

Sec. 28. TERMINATION OF RELIEF ASSOCIATIONS.

Subdivision 1. TRANSFER OF ASSETS. All assets of the special fund of the Moorhead firefighters relief association and all assets of the Moorhead police relief association must be transferred to the public employees retirement association as provided in section 26. The transfer of assets must include any accounts receivable, regardless of source. Accounts payable on August 1, 1985, must also be transferred to the public employees retirement association. The public employees retirement association is the successor in interest with respect to all claims by or against either relief association or the city of Moorhead arising from operation of the relief association, except (1) any claim against either relief association or any person connected with it in a fiduciary capacity, based on any acts by that person which were not performed in good faith and which constitut-

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ed a breach of the person's obligation as a fiduciary, or (2) any judicial proceeding arising from the passage of sections 25 to 31. As a successor in interest, the public employees retirement association may assert any applicable defense in any judicial proceeding which either relief association or the city of Moorhead would otherwise have been entitled to assert.

Subd. 2. TRANSFER OF RECORDS. Before August 1, 1985, or as soon as possible, each relief association shall transfer to the police and fire fund original copies of all records and documents in its possession relating to the relief association and any of its members. The city of Moorhead shall provide from time to time whatever additional relevant information the board may request.

Subd. 3. TERMINATION OF SPECIAL FUND. Upon the transfer of the assets, liabilities, and records of the Moorhead firefighters relief association to the public employees retirement association, the Moorhead firefighters are no longer authorized to retain a special fund within their relief association, and the special fund ceases to exist as a legal entity. Firefighters employed by the Moorhead fire department may retain the name "Moorhead firefighters relief association" as the name of their general fund.

Subd. 4. TERMINATION OF RELIEF ASSOCIATION. Upon the transfer of the assets, liabilities, and records of the Moorhead police relief association to the public employees retirement association, the Moorhead police relief association ceases to exist as a legal entity.

Sec. 29. REVIEW OF PORTFOLIO BY STATE BOARD OF INVESTMENT.

Before the transfer of assets to the public employees retirement association, the state board of investment may review the existing portfolio of the relief associations and require the liquidation of any assets deemed inappropriate for transfer. All assets must be transferred at market value.

Sec. 30. SAVING CLAUSE.

Notwithstanding any other law, any person receiving a benefit from either relief association on or before the effective date of sections 25 to 31, who is working for a state or local unit of government on that date, and who has retirement coverage for that employment from either the Minnesota state retirement system or the public employees retirement association retains benefits accrued for that employment and is entitled to accrue future benefits for it despite the transfer of service credit for service as a Moorhead police officer or firefighter to the police and fire fund.

Sec. 31. REPEALER OF MOORHEAD SPECIAL LAWS.

Laws 1945, chapter 277; Laws 1951, chapter 499; Laws 1955, chapter 75; Laws 1965, chapter 190; Laws 1967, chapter 775; Laws 1969, chapter 138; Laws 1975, chapter 120; Laws 1978, chapter 563, section 8; Laws 1979, chapter

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216, sections 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, and 43; Laws 1980, chapter 600, section 16; Laws 1981, chapter 224, section 236; and Laws 1982, chapter 578, article 3, section 18, are repealed.

Sec. 32. Laws 1969, chapter 576, section 3, subdivision 1, is amended to read:

Sec. 3. Subdivision 1. In lieu of a service pension as provided for in Minnesota Statutes, Section 424.21, the fire department relief association may provide a service pension to a regularly employed full time member of the association as defined in Minnesota Statutes, Section 424.03, who has completed a period or periods of service in the fire department equal to ~~20~~ ten years or more, and after he has arrived at the age of 50 years or more or would have attained 20 years of service had active membership continued, whichever is later, and has retired from the payroll of the fire department, such pension to be a sum equal to ~~50~~ 26 percent, and in addition thereto, 2.6 percent for each year of service beyond ten years but not to exceed 20 years plus one percent per year for each year of service beyond 20 years, not to exceed a sum equal to ~~60~~ 62 percent, of the salary as payable from time to time during the period of the pension payment to firemen of the highest grade, not including officers of the department, in the employ of the city of St. Louis Park, such pension to be payable for ~~his natural~~ life in conformity with the bylaws of the association.

Sec. 33. Laws 1969, chapter 576, section 4, subdivision 1, is amended to read:

Sec. 4. Subdivision 1. In lieu of the disability pension and limitations provided for in Minnesota Statutes, Section 424.20, the fire department relief association shall provide for disability benefits to a member of the association on active duty in the department of ~~ef.~~ For members who have not completed 20 years of service the disability amount is a sum equal to 50 percent of the applicable salary. For members who have completed 20 years of service the disability amount is a sum equal to ~~50~~ 52 percent, and in addition thereto, one percent per year for each year of service performed in the department beyond 20 years, not to exceed a sum equal to ~~60~~ 62 percent, of the salary as payable from time to time during the period of pension payment to firemen of the highest grade, not including officers of the department, in the employ of the city of St. Louis Park, such pension to be payable for such periods of time and at such times as the bylaws of the association provide.

Sec. 34. **BYLAW AMENDMENT.**

Pursuant to Minnesota Statutes, section 356.24, authority is granted to the St. Louis Park fire department relief association to amend its bylaws or articles as required for the purpose of providing a prorated survivor benefit to the surviving spouse and dependent children of a deceased retired firefighter who had at least ten but less than 20 years of service at the time of death. The prorated benefit

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shall be in that proportion that the years of service of the decedent bears to 20 years.

Sec. 35. VESTED RIGHTS.

No provision of sections 32 to 35 shall be construed as reducing or impairing benefits for members vested prior to the effective date of sections 32 to 35.

Those benefits include increases granted by resolution of the St. Louis Park city council pursuant to Laws 1980, chapter 607, article XV, section 7. Those increases were as follows:

(a) An additional 2.35 percent of the top firefighter salary shall be added to the service pension of members who have completed at least 20 years service.

(b) An additional 2.35 percent of the top firefighter salary shall be added to the disability benefits available to members who have completed at least 20 years of service.

Sec. 36. ALBERT LEA POLICE AND FIREFIGHTERS; REINSTATEMENT OF SURVIVORS' BENEFITS.

Notwithstanding any law to the contrary, the Albert Lea police and firefighters relief associations are entitled to amend their bylaws to provide for the reinstatement of benefits to a surviving spouse who had remarried. The surviving spouse benefit may be reinstated upon application following termination of the remarriage for any reason. The reapplying person shall not be entitled to retroactive payments prior to the time of reapplication.

Sec. 37. Laws 1965, chapter 592, section 4, as added by Laws 1969, chapter 644, section 2, and amended by Laws 1975, chapter 229, section 3, is amended to read:

Sec. 4. SURVIVORS' AND FUNERAL BENEFITS. The association may pay survivors benefits to the surviving spouse and children under 18 years of age of deceased members of the association and funeral benefits in the manner and amounts prescribed by its bylaws, subject to the provisions of this section, or as provided in Minnesota Statutes, chapter 424A. ~~The widow surviving spouse or estate of a member who dies before his retirement from the fire department shall may receive a funeral benefit of not to exceed at least \$1,350 payable in a lump sum upon the member's death and monthly payments of \$135 from the death of the member until the widow's death or remarriage. The widow surviving spouse of a member who dies either before or following his retirement from the fire department shall receive monthly payments of not to exceed at least \$135 from the death of the member until the widow's surviving spouse's death or remarriage. Each child of a deceased member of the association shall receive monthly payments from the death of the member until the child attains 18 years of age in the amount of not to exceed at least \$27 per month. The total amount~~

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paid to the children of any member shall not exceed \$135 per month five times the monthly amount payable to one child.

Sec. 38. **EFFECTIVE DATE.**

Sections 2, 4 to 10, 17, 21 to 23, and 32 are effective the day following final enactment. Section 10 is retroactive to January 1, 1985. Section 1 is effective May 31, 1985. Sections 3 and 24 are effective July 1, 1985. Sections 4 and 5 are effective January 1, 1986. Sections 11 to 13 are effective on approval by the Hennepin county board. Section 14 is effective retroactive to January 1, 1985, on approval by the Thief River Falls city council. Sections 15 and 16 are effective retroactive to January 1, 1985, on approval by the Virginia city council. Section 18 is effective on approval by the Buhl city council. Section 19 is effective retroactive to January 1, 1985, on approval by the Eveleth city council. Section 20 is effective on approval by the New Ulm city council. Sections 25 to 31 are effective on approval by the Moorhead city council. Sections 32 to 35 are effective on approval by the St. Louis Park city council. Section 36 is effective on approval by the Albert Lea city council. All local approvals must comply with Minnesota Statutes, section 645.021.

Approved May 30, 1985

CHAPTER 262 — H.F.No. 1070

An act relating to occupations and professions; requiring the commissioner of corrections to establish a program to prevent sexual exploitation by psychotherapists; extending the sexual exploitation task force; establishing a legislative study commission on the regulation of psychotherapists; appropriating money; amending Minnesota Statutes 1984, section 241.021, by adding a subdivision; and Laws 1984, chapter 631, section 1, subdivisions 1 and 4; proposing coding for new law in Minnesota Statutes, chapter 241.

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

Section 1. Minnesota Statutes 1984, section 241.021, is amended by adding a subdivision to read:

Subd. 6. BACKGROUND STUDIES. The commissioner of corrections is authorized to do background studies on personnel employed by any facility serving children or youth that is licensed under this section. A clerk of any court, the bureau of criminal apprehension, a prosecuting attorney, a county sheriff, or a chief of a local police department, shall assist in these studies by providing to the commissioner, or the commissioner's representative, all criminal conviction data available from local, state, and national criminal history record repositories, including the criminal justice data communications network, pertaining to the following individuals: applicants, operators, all persons living in the

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