

**CHAPTER 447—S.F.No. 1997****VETOED****CHAPTER 448—H.F.No. 2493**

*An act relating to retirement; modifying provisions of various local pension plans; making miscellaneous benefit and administrative changes; including nonprofit firefighting corporations as municipalities in certain circumstances; amending Minnesota Statutes 1994, sections 353B.11, subdivisions 1 and 3; 353B.13; and 466.01, subdivisions 1 and 6; Laws 1965, chapter 519, section 1, as amended; Laws 1992, chapter 563, section 5; Laws 1994, chapter 490, section 2; and Laws 1995, chapter 262, article 7, section 1.*

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

**ARTICLE 1****ITASCA COUNTY MEDICAL CENTER; RETIREMENT**

Section 1. Laws 1995, chapter 262, article 7, section 1, is amended to read:

**Section 1. TRANSFERRED EMPLOYEES.**

This section applies if the Itasca county medical center is sold, leased, or transferred to a private entity or public corporation. Notwithstanding any provision of Minnesota Statutes, sections 356.24 and 356.25 to the contrary, to facilitate the orderly transition of employees affected by the sale, lease, or transfer, the county may, in its discretion, make, from assets to be transferred to the private entity or public corporation, payments to a qualified pension plan established for the transferred employees by the private entity or public corporation, to provide benefits substantially similar to those the employees would have been entitled to under the provisions of the public employees retirement association, Minnesota Statutes 1994, sections 353.01 to 353.46.

**Sec. 2. TREATMENT OF TERMINATED, NONVESTED EMPLOYEES.**

**Subdivision 1. ELIGIBILITY.** (a) An eligible individual is an individual who:

- (1) is an employee of the Itasca county medical center immediately prior to the sale, lease, or transfer of that facility to a private entity or public corporation;
- (2) is terminated at the time of the sale, lease, or transfer; and
- (3) had less than three years of service credit in the public employees retirement association plan at the date of termination.

New language is indicated by underline, deletions by ~~strikeout~~.

(b) For an eligible individual under paragraph (a), the county may make a member contribution equivalent payment under subdivision 2.

Subd. 2. MEMBER CONTRIBUTION EQUIVALENT PAYMENT. The member contribution equivalent payment is an amount equal to the total refund provided by Minnesota Statutes, section 353.34, subdivisions 1 and 2. To be eligible for the member contribution equivalent payment, the individual in subdivision 1, paragraph (a), must apply for a refund under Minnesota Statutes, section 353.34, subdivisions 1 and 2, within one year of termination. A member contribution equivalent amount exceeding \$200 must be made directly to an individual retirement account under section 408(a) of the federal Internal Revenue Code, as amended, or to another qualified plan. A member contribution equivalent amount of \$200 or less may, at the preference of the individual, be made to the individual or to an individual retirement account under section 408(a) of the federal Internal Revenue Code, as amended, or to another qualified plan.

**Sec. 3. EFFECTIVE DATE.**

Sections 1 and 2 are effective on the day following approval by the Itasca county board and compliance with Minnesota Statutes, section 645.021.

---

**ARTICLE 2**

**PUBLIC SAFETY EMPLOYEE RETIREMENT PROVISIONS**

Section 1. Laws 1992, chapter 563, section 5, is amended to read:

**Sec. 5. ST. PAUL POLICE AND FIRE CONSOLIDATION ACCOUNTS; LIMITATION ON POSTRETIREMENT BENEFIT REDUCTIONS.**

(a) A monthly service pension or retirement benefit payment from the St. Paul fire department relief association consolidation account or the St. Paul police relief association consolidation account may not be reduced in amount to an amount that is less than that received by the person for the immediately previous month.

(b) The service pension or retirement benefit payable from the St. Paul fire department consolidation account or from the St. Paul police consolidation account to a person who becomes newly entitled to that service pension or retirement benefit may not be an amount that is less than the service pension or retirement benefit then payable to a comparably situated pensioner or benefit recipient of that consolidation account.

This (c) The limitation in paragraph (a) or (b) may not be construed to limit the power of the board of trustees of the relief executive director of the public employees retirement association to require proof of continuing eligibility for receipt of a disability benefit or a survivor benefit, or to require the reduction in amount or elimination of a disability benefit in the event of changed medical circumstances, or to require the reduction in amount or elimination of a survivor benefit in the event of changes in eligibility.

Sec. 2. Laws 1994, chapter 490, section 2, is amended to read:

**New language is indicated by underline, deletions by strikeout.**

**Sec. 2. AUSTIN FIRE DEPARTMENT RELIEF ASSOCIATION; SURVIVOR COVERAGE FOR CERTAIN SPOUSES OF CERTAIN RETIRED FIREFIGHTERS.**

(a) Notwithstanding any provision to the contrary of the general or special laws governing the Austin fire department relief association, the articles of incorporation of the relief association, or the bylaws of the relief association, a person described in paragraph (b) is entitled to a surviving spouse benefit as provided in paragraph (c).

(b) A person entitled under paragraph (a) is a person who:

(1) was the legally married spouse of a deceased retired or disabled member of the Austin fire department relief association at the time of the deceased member's death;

(2) married the retired or disabled member after the date on which the member terminated active employment as a firefighter by the Austin fire department; and

(3) was married for at least three years before the date of the death of the retired or disabled member; and

~~(3) was married to a retired or disabled member whose prior spouse, if any, predeceased the member.~~

(c) The surviving spouse benefit is an amount equal to the amount of a surviving spouse benefit payable by the Austin fire department relief association to the surviving spouse of a deceased active member of the relief association under Laws 1949, chapter 87, section 26, subdivision 4, as amended by Laws 1965, chapter 418, section 5, reduced by any amount awarded or payable from the service pension or disability benefit of the deceased former firefighter to a former spouse of the deceased active member by virtue of the legal dissolution of the member's marriage to the former spouse.

**Sec. 3. MINNEAPOLIS FIRE DEPARTMENT RELIEF ASSOCIATION; AUTHORIZATION OF VARIOUS ADMINISTRATIVE CHANGES.**

Notwithstanding any provision of any law to the contrary, the Minneapolis fire department relief association is authorized to implement the following administrative and other modifications:

(1) five-year vesting under Minnesota Statutes, section 423A.19, retroactive to the April 1, 1987, date when the change was approved by the Minneapolis city council, despite the failure to meet the filing requirement of Minnesota Statutes, section 423A.19, subdivision 4;

(2) the period for applying for a disability benefit by or on behalf of a disabled member increased from 30 days after the beginning of the disability to 90 days after the beginning of the disability;

(3) a salary for services for the members of the board of trustees of the relief association who are elected members and who are not officers in an amount equal to 2.5 percent of the maximum salary of a first grade firefighter;

(4) a salary for the president of the relief association increased to an amount equal to ten percent of the maximum salary of a first grade firefighter;

(5) a salary for the executive secretary of the relief association increased to an amount equal to 30 percent of the maximum salary of a first grade firefighter; and

New language is indicated by underline, deletions by ~~strikeout~~.

(6) eligibility for the surviving spouse of a deceased deferred member, the dependent surviving child or children of a deceased deferred member, or a combination, to receive annual postretirement payments under Laws 1989, chapter 319, article 19, section 7, as amended by Laws 1992, chapter 471, article 2, section 5, with confirmation and ratification of any past payments of annual postretirement payments to survivors of deceased deferred members since June 1, 1989.

**Sec. 4. ST. LOUIS PARK; EXCLUSIONS FROM FIREFIGHTERS CIVIL SERVICE.**

Notwithstanding Minnesota Statutes, chapter 420, in the city of St. Louis Park, volunteer and paid-on-call firefighters, who are employees of the fire department, are excluded from civil service.

**Sec. 5. EFFECTIVE DATE.**

Subdivision. 1. ST. PAUL POLICE AND FIRE. Section 1 is effective retroactively to December 31, 1993, upon approval by the city council of the city of St. Paul and compliance with Minnesota Statutes, section 645.021.

Subd. 2. AUSTIN FIRE. Section 2 is effective upon approval by the Austin city council and compliance with Minnesota Statutes, section 645.021.

Subd. 3. MINNEAPOLIS FIRE. (a) Section 3 is effective on the day following final approval by the Minneapolis city council and compliance with Minnesota Statutes, section 645.021.

(b) The city council resolution must specify the provisions contained in section 3 that it is approving. The city council may approve some or all of the provisions contained in section 3.

Subd. 4. ST. LOUIS PARK POLICE AND FIRE. Section 4 takes effect the day after the chief clerical officer of the city of St. Louis Park complies with Minnesota Statutes, section 645.021, subdivision 3.

---

**ARTICLE 3**

**MINNEAPOLIS FIRE; SURVIVING SPOUSE BENEFIT CHANGE**

Section 1. Laws 1965, chapter 519, section 1, as amended by Laws 1967, chapter 819, section 1; Laws 1969, chapter 123, section 1; Laws 1975, chapter 57, section 1; Laws 1977, chapter 164, section 2; Laws 1990, chapter 589, section 5; and Laws 1992, chapter 454, section 2, is amended to read:

Section 1. **MINNEAPOLIS, CITY OF; FIREFIGHTER'S RELIEF ASSOCIATION; SURVIVING SPOUSE'S ENTITLEMENT.** Notwithstanding the provisions of Minnesota Statutes 1965, Section 69.48, to the contrary, when a service pensioner, disability pensioner, or deferred pensioner, or an active member of a relief association dies, leaving:

New language is indicated by underline, deletions by ~~strikeout~~.

(1) A surviving spouse who was a legally married spouse, residing with the decedent, and who was married while or prior to the time the decedent was on the payroll of the fire department in the case of a deceased active member; and or who, in case the deceased member was a service, disability or deferred pensioner, was legally married to the member at least one year before the member's retirement from the fire department or for at least five years before the member's death if the marriage occurred after retirement; or

(2) A child or children who were living while the deceased was on the payroll of the fire department, or born within nine months after the decedent was withdrawn from the payroll of the fire department, the surviving spouse and the child or children shall be entitled to a pension or pensions, as follows:

(a) To the surviving spouse, a pension of not less than 17 units, and not to exceed the total of 22 units per month, as the bylaws of the association provide, for life; ~~provided, that if the spouse shall remarry then the pension shall cease and terminate as of the date of remarriage; provided, further, if the remarriage terminates for any reason, the surviving spouse shall again be entitled to a pension as the bylaws of the association provide;~~

(b) To the child or children, if their other parent is living, a pension of not to exceed eight units per month for each child up to the time each child reaches the age of not less than 16 years and not to exceed an age of 18 years; provided, however, upon approval by the board of trustees, such a child who is a full-time student, upon proof of compliance with the provisions of this act, may be entitled to such pension so long as the child is a full-time student and has not reached 22 years of age, all in conformity with the bylaws of the association; provided, further, the total pensions hereunder for the surviving spouse and children of the deceased member shall not exceed the sum of 41 units per month;

(c) A child or children of a deceased member after the death of their other parent, or in the event their other parent predeceases the member, be entitled to receive a pension or pensions in such amount as the board of trustees of the association shall deem necessary to properly support the child or children until they reach the age of not less than 16 and not more than 18 years; provided, however, upon approval by the board of trustees, such a child who is a full-time student, upon proof of compliance with the provisions of this act, may be entitled to such pension so long as the child is a full-time student and has not reached 22 years of age, as the bylaws of the association may provide; but the total amount of the pension or pensions hereunder for any child or children shall not exceed the sum of 41 units per month;

(d) For the purposes of this act, a full-time student is defined as an individual who is in full-time attendance as a student at an educational institution. Whether or not the student was in full-time attendance would be determined by the board of trustees of the association in the light of the standards and practices of the school involved. Specifically excluded is a person who is paid by the person's employer while attending school at the request of the person's employer. Benefits may continue during any period of four calendar months or less in any 12 month period in which a person does not attend school if the person shows to the satisfaction of the board of trustees that the person intends to continue in full-time school attendance immediately after the end of the period. An educational institution is defined so as to permit the payment of benefits to students taking vocational or academic courses in all approved, accredited or licensed schools, colleges, and universities. The board of trustees shall make the final determination of eligibility for benefits if

New language is indicated by underline, deletions by ~~strikeout~~.

any question arises concerning the approved status of the educational institution which the student attends or proposes to attend;

(e) In the event that a child who is receiving a pension as provided above shall marry before the age of 22 years, the pension shall cease as of the date of the marriage.

Sec. 2. **EFFECTIVE DATE.**

Section 1 is effective on the day following approval by the Minneapolis city council and compliance with Minnesota Statutes, section 645.021.

---

**ARTICLE 4**

**CONFORMING CHANGES**

Section 1. Minnesota Statutes 1994, section 353B.11, subdivision 1, is amended to read:

Subdivision 1. **ELIGIBILITY; SURVIVING SPOUSE BENEFIT.** (a) Except as specified in paragraph (b), (c), (d), (e), (f), (g), or ~~(h)~~, the person who survives a deceased active, deferred, or retired member, who was legally married to the member at the time of the death of the deceased member, who was legally married to the member for at least one year before the separation from active service if the deceased member was a deceased, deferred, or retired member and who was residing with the member at the time of the death of the deceased member shall be entitled to receive a surviving spouse benefit.

(b) The person who survives a deceased active, deferred, or retired member, who was legally married to the member at the time of the death of the deceased member, who was legally married to the member at the time of separation from active service if the deceased member was a deceased deferred or retired member and who was residing with the member at the time of the death of the member shall be entitled to receive a surviving spouse benefit in the case of former members of the following consolidating relief associations:

- (1) Albert Lea police relief association;
- (2) Anoka police relief association;
- (3) ~~Austin firefighters relief association;~~
- (4) Austin police relief association;
- ~~(5)~~ (4) Brainerd police benefit association;
- ~~(6)~~ (5) Columbia Heights police relief association;
- ~~(7)~~ (6) Crookston fire department relief association;
- ~~(8)~~ (7) Crookston police relief association;

New language is indicated by underline, deletions by ~~strikeout~~.

- (9) ~~(8)~~ Fairmont police benefit association;
- (10) ~~(9)~~ Faribault police benefit association;
- (11) ~~(10)~~ Mankato fire department relief association;
- (12) ~~(11)~~ Red Wing police relief association;
- (13) ~~(12)~~ South St. Paul police relief association;
- (14) ~~(13)~~ Virginia fire department relief association;
- (15) ~~(14)~~ Virginia police relief association; and
- (16) ~~(15)~~ West St. Paul police relief association.

(c) The person who survives a deceased active, deferred, or retired member, who was legally married to the member at the time of the death of the deceased member, and who was legally married to the member at the time of separation from active service if the deceased member was a deceased deferred or retired member shall be entitled to receive a surviving spouse benefit in the case of former members of the following consolidating relief associations:

- (1) Chisholm police relief association;
- (2) Hibbing police relief association;
- (3) Mankato police benefit association; and
- (4) New Ulm police relief association.

(d) The person who survives a deceased active, deferred, or retired member, who was legally married to the member at the time of the death of the deceased member, who was either legally married to the member at the time of separation from active service or legally married the member after the time of separation from active service and was married for at least three years before the date of death of the member if the deceased member was a deceased deferred or retired member, and who was residing with the member at the time of the death of the member is entitled to receive a surviving spouse benefit in the case of former members of the Austin firefighters relief association.

(e) The person who survives a deceased active, deferred, or retired member, who was legally married to the member at the time of the death of the deceased member, who was legally married to the member for at least five years before the separation from active service death if the deceased member was the recipient of a service pension or was entitled to a deferred service pension, and who was residing with the member at the time of the death of the deceased member in the case of former members of the Minneapolis fire department relief association.

~~(e)~~ (f) The person who survives a deceased active, deferred, or retired member, who was legally married to the member at the time of the death of the deceased member, who was residing with the member at the time of the death of the decedent, and, if the deceased member was the recipient of a service pension or was entitled to a deferred service pension at the time of death, who was legally married to the member for at least five years before the member's death, in the case of former members of the Minneapolis police relief association.

New language is indicated by underline, deletions by strikeout.

~~(f)~~ (g) The person who survives a deceased active, deferred, or retired member, who was legally married to the member at the time of the death of the deceased member, who was legally married to the member for at least three years before the separation from active service if the deceased member was a deceased, retired, or deferred member and who was residing with the member at the time of the death of the member shall be entitled to receive a surviving spouse benefit in the case of former members of the South St. Paul firefighters relief association.

~~(g)~~ (h) The person who survives a deceased active, deferred, or retired member who was legally married to the member at the time of the death of the deceased member, who was legally married to the member for at least one year before the separation from active service if the deceased member was a deceased, deferred, or retired member and who had not deserted the member at the time of the death of the deceased member shall be entitled to receive a surviving spouse benefit in the case of former members of the St. Paul police relief association.

Sec. 2. Minnesota Statutes 1994, section 353B.11, subdivision 3, is amended to read:

Subd. 3. **AMOUNT; SURVIVING SPOUSE BENEFIT.** (a) The surviving spouse benefit shall be 30 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Albert Lea firefighters relief association;
- (2) Albert Lea police relief association;
- (3) Anoka police relief association;
- (4) ~~Austin firefighters relief association;~~
- ~~(5)~~ Austin police relief association;
- ~~(6)~~ (5) Brainerd police benefit association;
- ~~(7)~~ (6) Crookston police relief association;
- ~~(8)~~ (7) Faribault fire department relief association; and
- ~~(9)~~ (8) West St. Paul firefighters relief association.

(b) The surviving spouse benefit shall be 25 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Chisholm police relief association;
- (2) Duluth firefighters relief association;
- (3) Duluth police pension association;
- (4) Fairmont police benefit association;
- (5) Red Wing fire department relief association;
- (6) South St. Paul police relief association; and
- (7) West St. Paul police relief association.

New language is indicated by underline, deletions by ~~strikeout~~.



(c) The surviving spouse benefit shall be 24 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Fridley police pension association;
- (2) Richfield police relief association;
- (3) Rochester fire department relief association;
- (4) Rochester police relief association;
- (5) Winona fire department relief association; and
- (6) Winona police relief association.

(d) The surviving spouse benefit shall be 40 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Columbia Heights fire department relief association, paid division;
- (2) New Ulm police relief association; and
- (3) Richfield fire department relief association.

(e) The surviving spouse benefit shall be \$250 per month for the former members of the following consolidating relief associations:

- (1) Hibbing firefighters relief association; and
- (2) Hibbing police relief association.

(f) The surviving spouse benefit shall be 23.75 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Crystal police relief associations; and
- (2) Minneapolis police relief association.

(g) The surviving spouse benefit shall be 32 percent of the salary base for the former members of the following consolidating relief associations:

- (1) St. Cloud fire department relief association; and
- (2) St. Cloud police relief association.

(h) The surviving spouse benefit shall be one-half of the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the greater of the allowable service credit of the person as of the date of death or 20 years of allowable service credit if the person would have been eligible as of the date of death, for the former members of the following consolidating relief associations:

- (1) Virginia fire department relief association; and
- (2) Virginia police relief association.

(i) The surviving spouse benefit shall be the following for the former members of the consolidating relief associations as indicated:

New language is indicated by underline, deletions by ~~strikeout~~.

(1) 30 percent of the salary base, reduced by any amount awarded or payable from the service pension or disability benefit of the deceased former firefighter to a former spouse of the member by virtue of the legal dissolution of the member's marriage to the former spouse if the surviving spouse married the member after the time of separation from active service, Austin firefighters relief association;

(2) 27.333 percent of the salary base, or one-half of the service pension payable to or accrued by the deceased former member, whichever is greater, Bloomington police relief association;

~~(2)~~ (3) 72.25 percent of the salary base, Buhl police relief association;

~~(3)~~ (4) 50 percent of the service pension which the active member would have received based on allowable service credit to the date of death and prospective service from the date of death until the date on which the person would have attained the normal retirement age, 50 percent of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or \$175 per month if the deceased member was receiving a service pension or disability benefit as of the date of death, Chisholm firefighters relief association;

(4) (5) two-thirds of the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the greater of the allowable service credit of the person as of the date of death or 20 years of allowable service credit if the person would have been eligible as of the date of death, Columbia Heights police relief association;

~~(5)~~ (6) the greater of \$300 per month or one-half of the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the allowable service credit of the person as of the date of death if the person would have been eligible as of the date of death, Crookston fire department relief association;

~~(6)~~ (7) \$100 per month, Faribault police benefit association;

(7) (8) 60 percent of the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the allowable service credit of the person as of the date of death if the person would have been eligible as of the date of death, Mankato fire department relief association;

(8) (9) \$175 per month, Mankato police benefit association;

(9) (10) 26.25 percent of the salary base, Minneapolis fire department relief association;

(10) (11) equal to the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date

New language is indicated by underline, deletions by ~~strikeout~~.

of death or of the service pension which the active member would have received based on the allowable service credit of the person as of the date of death if the person would have been eligible as of the date of death, Red Wing police relief association;

~~(11)~~ (12) 40 percent of the salary base for a surviving spouse of a deceased active member, disabled member, or retired or deferred member with at least 20 years of allowable service, or the prorated portion of 40 percent of the salary base that bears the same relationship to 40 percent that the deceased member's years of allowable service bear to 20 years of allowable service for the surviving spouse of a deceased retired or deferred member with at least ten but less than 20 years of allowable service, St. Louis Park fire department relief association;

(12) ~~(13)~~ 26.6667 percent of the salary base, St. Louis Park police relief association;

~~(13)~~ (14) 27.5 percent of the salary base, St. Paul fire department relief association;

(14) ~~(15)~~ 20 percent of the salary base, St. Paul police relief association; and

~~(15)~~ (16) 27 percent of the salary base, South St. Paul firefighters relief association.

Sec. 3. Minnesota Statutes 1994, section 353B.13, is amended to read:

**353B.13 OTHER BENEFIT COVERAGE.**

(a) A person who is a former member of the Austin firefighters relief association who receives a service pension or a disability pension from the relief association and who is under age 65 or who is not yet eligible for the receipt of federal Medicare benefits, whichever occurs first, and the person's spouse, if the spouse would be eligible for a surviving spouse benefit upon the death of the pension recipient, is entitled to receive a health or medical insurance premium benefit in an amount equal to the amount that the city of Austin would pay under the applicable collective bargaining agreement for medical or health insurance coverage for a firefighter who is employed by the city, who has a spouse and who has no other dependents, payable monthly, in addition to any other pension amount received by the eligible pension recipient, and not subject to any postretirement adjustments applicable to service pensions or disability pensions.

(b) A person who is a former member of the New Ulm police relief association, who retired from the New Ulm police department after October 15, 1985, and who is receiving a service pension after the effective date of consolidation as provided in section 353A.06, shall be entitled to receive a supplemental benefit of \$80 per month for each month following the date of retirement until the last day of the month in which the person attains the age of 65 years.

~~(b)~~ (c) The payment of the premiums for medical and dental insurance coverage and the payment of a lump sum amount at retirement for former members of the St. Cloud fire department relief association and the payment of the premiums for medical insurance coverage and the payment of a lump sum amount at retirement for former members of the St. Cloud police relief association as provided for in the governing benefit plan documents shall be considered to be special benefit coverage governed by section 353A.08, subdivision 6.

(e) ~~(d)~~ A person who is a former member of the St. Paul fire department relief association who is unable to perform normally assigned fire department service due to a

New language is indicated by underline, deletions by ~~strikeout~~.

medically determinable physical or mental illness or injury and who is removed from the fire department payroll, upon application, until recovery, or for a period of 90 days or for a period of 150 days upon a showing of need and a medical report indicating a reasonable prognosis for recovery due to the extended period, whichever occurs first, shall be entitled to a sick relief benefit for each day of that inability, payable monthly, in an amount of 1.5625 percent of the salary base per day.

**Sec. 4. EFFECTIVE DATE.**

Subdivision 1. AUSTIN FIRE. Sections 1 and 2 with respect to the Austin fire department relief association and section 3 are effective on the effective date of article 2, section 2.

Subd. 2. MINNEAPOLIS FIRE. Section 1 with respect to the Minneapolis fire department relief association is effective on the effective date of article 3, section 1.

**ARTICLE 5**

**NORWOOD-YOUNG AMERICA  
CONSOLIDATED VOLUNTEER FIREFIGHTER RELIEF ASSOCIATION**

**Section 1. CONSOLIDATED NORWOOD-YOUNG AMERICA VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION.**

Subdivision 1. COMBINATION. The cities of Norwood and Young America in Carver county have conducted the necessary proceedings to combine as one municipality to be known as Norwood-Young America effective January 1, 1997, pursuant to Minnesota Statutes, sections 465.81 to 465.87.

Subd. 2. CREATION. The Norwood volunteer firefighters relief association and the Young America volunteer firefighters relief association are consolidated into a single volunteer firefighters relief association in the manner provided by this chapter. The consolidated volunteer firefighters relief association is to be governed by this chapter and the applicable provisions of Minnesota Statutes, chapters 69, 317A, 356, 356A, and 424A.

Subd. 3. CONSOLIDATED VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION. The consolidated volunteer firefighters relief association must be incorporated under Minnesota Statutes, chapter 317A. The incorporators of the consolidated relief association must include at least one board member of the former Norwood volunteer firefighters relief association and at least one board member of the former Young America volunteer firefighters relief association. The consolidated relief association must be incorporated no later than February 1, 1997.

**Sec. 2. GOVERNANCE OF CONSOLIDATED VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION.**

Subdivision 1. BOARD OF TRUSTEES. The consolidated volunteer firefighters relief association is governed by a board of trustees as provided in Minnesota Statutes, section 424A.04, subdivision 1.

New language is indicated by underline, deletions by ~~strikeout~~.

**Subd. 2. COMPOSITION OF BOARD.** The board must have three officers, including a president, a secretary, and a treasurer. The membership of the consolidated volunteer firefighters relief association must elect the three officers from the board members. A board of trustees member may not hold more than one officer position at the same time.

**Subd. 3. BOARD ADMINISTRATION.** The board of trustees must administer the affairs of the relief association consistent with this chapter and the applicable provisions of Minnesota Statutes, chapters 69, 356A, and 424A.

**Sec. 3. SPECIAL AND GENERAL FUNDS.**

The consolidated volunteer firefighters relief association must establish and maintain a special fund and a general fund. The special fund must be established and maintained as provided in Minnesota Statutes, section 424A.05. The general fund must be established and maintained as provided in Minnesota Statutes, section 424A.06.

**Sec. 4. EFFECTIVE DATE OF CONSOLIDATION; TRANSFERS.**

The first business day occurring 30 days after the incorporation of the consolidated volunteer firefighters relief association under section 1 is the effective date of consolidation. On the effective date of consolidation, the administration, records, assets, and liabilities of the prior Norwood volunteer firefighters relief association and the prior Young America volunteer firefighters relief association are transferred to the consolidated volunteer firefighters relief association. On the effective date of consolidation, the Norwood volunteer firefighters relief association and the Young America volunteer firefighters relief association cease to exist as legal entities, except for the purposes of winding up association affairs as provided by this chapter.

**Sec. 5. TRANSFER OF ADMINISTRATION.**

On the effective date of consolidation, the administration of the prior relief associations is transferred to the board of trustees of the consolidated volunteer firefighters relief association.

**Sec. 6. TRANSFER OF RECORDS.**

On the effective date of consolidation, the secretary and the treasurer of the Norwood volunteer firefighters relief association and the secretary and treasurer of the Young America volunteer firefighters relief association shall transfer all records and documents relating to the prior relief associations to the secretary and treasurer of the consolidated volunteer firefighters relief association.

**Sec. 7. TRANSFER OF SPECIAL FUND ASSETS AND LIABILITIES.**

(a) On the effective date of consolidation, the secretary and the treasurer of the Norwood volunteer firefighters relief association and the secretary and treasurer of the Young America volunteer firefighters relief association shall transfer the assets of the special fund of the applicable relief association to the special fund of the consolidated relief association. Unless the appropriate secretary and treasurer decide otherwise, the assets may be transferred as investment securities rather than cash. The transfer must include any accounts receivable. The appropriate secretary must settle any accounts payable from the special fund of the relief association before the effective date of consolidation.

New language is indicated by underline, deletions by strikeout.

(b) Upon the transfer of the assets of the special fund of a prior relief association, the pension liabilities of that special fund become the obligation of the special fund of the consolidated volunteer firefighters relief association.

(c) Upon the transfer of the prior relief association special fund assets, the board of trustees of the consolidated volunteer firefighters relief association has legal title to and management responsibility for the transferred assets as trustees for persons having a beneficial interest in those assets arising out of the benefit coverage provided by the prior relief association.

(d) The consolidated volunteer firefighters relief association is the successor in interest in all claims for and against the special funds of the prior Norwood volunteer firefighters relief association and the prior Young America volunteer firefighters relief association, or the cities of Norwood and Young America, with respect to the special funds of the prior relief associations. The status of successor in interest does not apply to any claim against a prior relief association, the city in which that relief association is located, or any person connected with the prior relief association or the city, based on any act or acts that were not done in good faith and that constituted a breach of fiduciary responsibility under common law or Minnesota Statutes, chapter 356A.

#### **Sec. 8. DISSOLUTION OF PRIOR GENERAL FUND BALANCES.**

Prior to the effective date of consolidation, the secretary of the Norwood volunteer firefighters relief association and the secretary of the Young America volunteer firefighters relief association shall settle any accounts payable from the respective general fund or any other relief association fund in addition to the relief association special fund. Investments held by a fund of the prior relief associations in addition to the special fund must be liquidated before the effective date of consolidation as the bylaws of the relief association provide. Prior to the effective date of consolidation, the respective relief associations must pay all applicable general fund expenses from their respective general funds. Any balance remaining in the general fund or in a fund other than the relief association special fund as of the effective date of consolidation must be paid to the new general fund of the consolidated volunteer relief association.

#### **Sec. 9. TERMINATION OF PRIOR RELIEF ASSOCIATIONS.**

Following the transfer of administration, records, special fund assets, and special fund liabilities from the prior relief associations to the consolidated volunteer firefighters relief association, the Norwood volunteer firefighters relief association and the Young America volunteer firefighters relief association cease to exist as legal entities for any purpose. The city clerk of the city of Norwood-Young America shall notify the following governmental officials of the termination of the respective volunteer firefighters relief associations and of the establishment of the consolidated volunteer firefighters relief association:

- (1) Minnesota secretary of state;
- (2) Minnesota state auditor;
- (3) Minnesota commissioner of revenue; and
- (4) commissioner of the federal Internal Revenue Service.

**New language is indicated by underline, deletions by strikeout.**

**Sec. 10. ADMINISTRATIVE EXPENSES.**

The payment of authorized administrative expenses of the consolidated volunteer firefighters relief association must be from the special fund of the consolidated volunteer firefighters relief association in accordance with Minnesota Statutes, section 69.80, and as provided for in the bylaws of the consolidated volunteer firefighters relief association and approved by the board of trustees or the consolidated volunteer firefighters relief association. The payment of any other expenses of the consolidated volunteer firefighters relief association must be from the general fund of the consolidated volunteer firefighters relief association in accordance with Minnesota Statutes, section 69.80, and as provided for in the bylaws of the consolidated volunteer firefighters relief association and approved by the board of trustees of the consolidated volunteer firefighters relief association.

**Sec. 11. VALIDATION OF CURRENT BENEFIT PLANS AND PRIOR ACTIONS.**

Notwithstanding any other law, the benefit plans of the Norwood volunteer firefighters relief association and the Young America volunteer firefighters relief association, as reflected in each association's articles of incorporation and bylaws as of December 31, 1995, are ratified and validated. Acts previously taken by the Norwood volunteer firefighters relief association and the Young America volunteer firefighters relief association in association with those ratified by articles of incorporation are also ratified and validated.

**Sec. 12. BENEFITS; FUNDING.**

After the effective date of consolidation, the service pension for a member of the consolidated firefighters relief association is \$550 for each year of past service credited by either the Norwood volunteer firefighters relief association or the Young America volunteer firefighters relief association. Future service credited by the consolidated firefighters relief association is payable in a lump sum and is to be so provided in the bylaws of the consolidated volunteer firefighters relief association. The service pension may be subsequently changed by appropriate amendment to the bylaws approved by the board of trustees and the city council of the city of Norwood-Young America under Minnesota Statutes, sections 69.772, subdivision 6, and 424A.02, subdivisions 1 and 2. In its budget and tax levy for the year 1997, the city of Norwood-Young America must provide that funds will be transferred to the special fund of the consolidated volunteer firefighters relief association to fully fund the actuarial accrued liability of the special fund as determined under Minnesota Statutes, section 69.772, subdivisions 2 and 2a. Subsequent budgets and tax levies must comply with Minnesota Statutes, section 69.772, subdivisions 3 and 4.

**Sec. 13. EFFECTIVE DATE.**

Sections 1 to 12 are effective the day following approval by the city council of the city of Norwood and approval by the city council of the city of Young America and compliance with Minnesota Statutes, section 645.021.

**New language is indicated by underline, deletions by ~~strikeout~~.**

## ARTICLE 6

## NONPROFIT FIREFIGHTING CORPORATIONS

Section 1. Minnesota Statutes 1994, section 466.01, subdivision 1, is amended to read:

Subdivision 1. **MUNICIPALITY.** For the purposes of sections 466.01 to 466.15, "municipality" means any city, whether organized under home rule charter or otherwise, any county, town, public authority, public corporation, nonprofit firefighting corporation that has associated with it a relief association as defined in section 424A.001, subdivision 4, special district, school district, however organized, county agricultural society organized pursuant to chapter 38, joint powers board or organization created under section 471.59 or other statute, public library, regional public library system, multicounty multi-type library system, family services collaborative established under section 121.8355, other political subdivision, or community action agency.

Sec. 2. Minnesota Statutes 1994, section 466.01, subdivision 6, is amended to read:

Subd. 6. **EMPLOYEE, OFFICER, OR AGENT.** For the purposes of sections 466.01 to 466.15, "employee," "officer," or "agent" means a present or former employee, officer, or agent of a municipality, or other person acting on behalf of the municipality in an official capacity, temporarily or permanently, with or without compensation, but does not include an independent contractor other than a nonprofit firefighting corporation that has associated with it a relief association as defined in section 424A.001, subdivision 4. "Employee" includes court administrators and their staff under chapter 485, district administration staff in the second and fourth judicial districts, guardians ad litem, and other employees within the court system whose salaries are paid by the county, other than employees who remain on the county payroll under section 480.181, subdivision 2.

Presented to the governor April 4, 1996

Signed by the governor April 11, 1996, 11:35 a.m.

## CHAPTER 449—H.F.No. 2282

*An act relating to water; modifying provisions of the reinvest in Minnesota resources program; amending Minnesota Statutes 1994, section 103F.515, subdivisions 2, 3, and 6.*

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

Section 1. Minnesota Statutes 1994, section 103F.515, subdivision 2, is amended to read:

Subd. 2. **ELIGIBLE LAND.** (a) Land may be placed in the conservation reserve program if the land meets the requirements of paragraphs (b) and (c).

(b) Land is eligible if the land:

New language is indicated by underline, deletions by ~~strikeout~~.