

CHAPTER 69

FIRE AND POLICE DEPARTMENT AID; FIRE-FIGHTER'S AND POLICEMEN'S RELIEF

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69.01 [Repealed, 1969 c 1001 s 11]**69.011 QUALIFYING FOR STATE AID.**

Subdivision 1. **Definitions.** Unless the language or context clearly indicates that a different meaning is intended, the following words and terms shall for the purposes of this chapter and chapters 423, 424 and 424A have the meanings ascribed to them:

- (a) "Commissioner" means the commissioner or director of insurance.
- (b) "Municipality" means any home rule charter or statutory city or organized town.
- (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.

(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.

Subd. 2. Qualification for fire or police state aid. (a) In order to qualify to receive fire state aid, on or before March 1, annually, in conjunction with the financial report required pursuant to section 69.051, subdivision 1 or 3, the clerk of each municipality having a duly organized fire department as provided in subdivision 4, or the secretary of each independent nonprofit firefighting corporation having a subsidiary incorporated firefighter's relief association whichever is applicable, and the secretary and the treasurer of the firefighter's relief association, shall jointly certify the existence of the municipal fire department or of the independent nonprofit firefighting corporation, whichever is applicable, which meets the minimum qualification requirements set forth in this subdivision, and the fire personnel and equipment of the municipal fire department or the independent nonprofit firefighting corporation as of the preceding December 31. Certification shall be made to the commissioner on a form prescribed by the commissioner and shall include any other facts the commissioner may require. The certification shall be made to the commissioner in duplicate. Each copy of the certificate shall be duly executed and deemed an original. The commissioner shall forward one copy to the auditor of the county wherein the fire department is located and retain one copy.

(b) On or before March 1 annually the clerk of each municipality having a duly organized police department and having a duly incorporated relief association shall certify that fact to the county auditor of the county where the police department is located and to the commissioner on a form prescribed by him together with the other facts the commissioner or auditor may require.

On or before March 1 annually, the clerk of each municipality and the auditor of each county employing one or more peace officers as defined in subdivision 1,

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clause (h), shall certify the number of such peace officers to the commissioner on forms prescribed by him. Credit for officers employed less than a full year shall be apportioned. Each full month of employment of a qualifying officer during the calendar year shall entitle the employing municipality or county to credit for one-twelfth of the payment for employment of a peace officer for the entire year. For purposes of sections 69.011 to 69.051, employment of a peace officer shall commence when the peace officer is entered on the payroll of the respective municipal police department or county sheriff's department. No peace officer shall be included in the certification of the number of peace officers by more than one municipality or county for the same month.

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

Subd. 4. Qualification for state aid. Any municipality in this state having for more than one year an organized fire department and officially established by the governing body of the municipality or an independent nonprofit fire fighting corporation created under the nonprofit corporation act of this state and operating exclusively for fire fighting purposes and providing retirement and relief benefits to its members or having a separate subsidiary incorporated firefighter's relief and pension association providing retirement and relief benefits may qualify to receive state aid if it meets the following minimum requirements or equivalent as determined by the state fire marshal by July 1, 1972:

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

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

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

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

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

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

(g) Other requirements the commissioner establishes by rule.

Subd. 5. Fire departments to be inspected by state fire marshal. It shall be the duty of the state fire marshal or his appointed deputy or designated assistants to inspect, or cause to be inspected, at the time other public buildings are inspected, the fire department of any municipality or nonprofit fire fighting corporations in this state; and, for that purpose, he or any of his deputies or designated assistants shall have the right to enter or have access thereto at any reasonable hour. When upon inspection, it is found that the fire department inspected does not conform to the requirements of subdivision 4 he shall make a report of the fact and the commissioner shall disqualify the municipality or

nonprofit fire fighting corporation from participation in the state aid apportionment provided for in chapters 69 and 424.

History: 1969 c 1001 s 2; 1971 c 695 s 1; Ex1971 c 6 s 1-3; 1973 c 123 art 5 s 7; 1973 c 582 s 3; 1976 c 315 s 1-3; 1977 c 429 s 4,5,6,3; 1981 c 68 s 3,4; 1981 c 224 s 19,274; 1982 c 424 s 14; 1982 c 460 s 1

69.02 [Repealed, 1969 c 1001 s 11]

69.021 REPORTING PREMIUMS; CALCULATION OF AID.

Subdivision 1. **Minnesota firetown premium report and Minnesota aid to police premium report.** The commissioner of insurance shall, at the time he mails annual statement and tax forms, send blank copies of the Minnesota Firetown Premium Report and when applicable the Minnesota Aid to Police Premium Report to each insurer, including township and farmers mutual insurance companies licensed to write insurance as described in section 69.011, subdivision 1, clauses (c) and (f) in this state. These reports shall contain space for the insurers name, address, gross premiums less return premiums, dividends, net premiums, certification and other facts the commissioner may require.

Subd. 2. **Report of premiums.** Each insurer, including township and farmers mutual insurers where applicable, shall return to the commissioner with its annual financial statement the reports described in subdivision 1 certified by its secretary and president or chief financial officer. The Minnesota Firetown Premium Report shall contain a true and accurate statement of the total premium for all gross direct fire, lightning, and sprinkler leakage insurance of all domestic mutual insurers and the total premiums for all gross direct fire, lightning, sprinkler leakage and extended coverage insurance of all other insurers, less return premiums and dividends received by them on that business written or done during the preceding calendar year upon property located within the state or brought into the state for temporary use. The fire and extended coverage portion of multi-peril and multiple peril package premiums and all other combination premiums shall be determined by applying percentages determined by the commissioner or by rating bureaus recognized by the commissioner. The Minnesota Aid to Police Premium Report shall contain a true and accurate statement of the total premiums, less return premiums and dividends received, on all direct business received by such insurer in this state, or by its agents for it, in cash or otherwise, during the preceding calendar year, with reference to insurance written for perils described in section 69.011, subdivision 1, clause (f).

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

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

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

Subd. 4. **Determination of qualified state aid recipients; certification to commissioner of finance.** The commissioner shall determine which municipalities and independent nonprofit firefighting corporations are qualified to receive fire state aid and which municipalities and counties are qualified to receive police state

aid. Any municipality, independent nonprofit firefighting corporation or county which received state aid for the year immediately previous shall be presumed to be qualified to receive state aid for the year in question. If subsequent examination reveals that the state aid recipient was not in fact qualified to receive state aid for any year, the commissioner shall retroactively disqualify the recipient and shall take any necessary steps to recover the state aid payments which had been made for the years of disqualification, plus interest at a rate equal to the maximum lawful interest rate for a state bank pursuant to section 48.195, as of the date of disqualification, compounded annually from the date on which the state aid payment was made until the date on which the payment is recovered. The determination of qualification by the commissioner shall be based on information contained in the fire department, personnel and equipment certification required pursuant to section 69.011, the annual financial report required pursuant to section 69.051, any actuarial valuation or experience study report required pursuant to sections 69.77 or 69.773, any audits conducted by the state auditor or an independent auditor, and any other relevant information which comes to the attention of the commissioner. Upon completion of the determination, on or before June 1, the commissioner shall calculate pursuant to subdivision 6 the amount of fire state aid and police state aid which each county is to receive for subsequent apportionment pursuant to subdivision 7 and shall certify to the commissioner of finance the name of each county in which are located one or more qualified state aid recipients and the amount of state aid which each county is to receive for subsequent apportionment. The commissioner shall also certify to each county auditor the name of each qualified state aid recipient located in the county and any other information deemed necessary for the county auditor to make the subsequent apportionment of state aid.

Subd. 5. Calculation of state aid. The amount of state aid available for apportionment shall be two percent of the fire, lightning, sprinkler leakage and extended coverage premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report and two percent of the premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report. The amount for apportionment in respect to firefighter's state aid shall not be greater or lesser than the amount of premium taxes paid to the state upon the premiums reported to the commissioner by insurers on the Minnesota Firetown Premium Report. The total amount for apportionment in respect to police state aid shall not be greater or lesser than the amount of premium taxes paid to the state upon the premiums reported to the commissioner by insurers on the Minnesota Aid to Police Premium Report. The total amount for apportionment in respect to police state aid shall be distributed to the counties for apportionment to municipalities maintaining police departments and to the county on the basis of the number of active peace officers, as certified pursuant to section 69.011, subdivision 2, clause (b). The commissioner shall calculate the percentage of increase or decrease reflected in the apportionment over or under the previous year's available state aid using the same premiums as a basis for comparison.

Subd. 6. Calculation of apportionment of aid to counties. With respect to firefighters, one-half of the state aid available shall be distributed to the counties in proportion to their population as shown by the last official statewide federal census. The remaining one-half of the state aid available shall be distributed to the counties in proportion to their assessed property valuation, excluding mineral values.

In the case of incorporated or municipal fire departments furnishing fire protection to cities, towns or townships in other counties as evidenced by valid fire service contracts filed with the commissioner of insurance and county auditor the distribution to the respective counties shall be adjusted proportionately to take

into consideration the crossover fire protection service. Necessary adjustments shall be made to subsequent apportionments.

The state aid available in respect to peace officers shall not exceed the amount of tax collected and shall be distributed to the counties in proportion to the total number of active peace officers, as defined in section 69.011, subdivision 1, clause (g), in each county who are employed either by municipalities maintaining police departments or by the county. Any necessary adjustments shall be made to subsequent apportionments.

Subd. 7. Apportionment of aid to municipalities and firefighter's relief associations by county auditor. (1) The county auditor shall apportion the state aid received by him relative to the premiums reported on the Minnesota Firetown Premium Reports filed pursuant to this chapter to each municipality and/or firefighter's relief association certified to him by the commissioner in the same manner that state aid is apportioned to the counties, one-half in proportion to the population and one-half in proportion to the assessed property valuation of the fire towns in the county for which aid is proportioned. Necessary adjustments shall be made to subsequent apportionments.

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

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

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

(2) The county auditor shall apportion the state police aid received by him to each municipality and to the county in the following manner:

(a) For all municipalities maintaining police departments and the county, the state aid shall be distributed by the county auditor in proportion to the total number of peace officers, as determined pursuant to section 69.011, subdivision 1, clause (g), and subdivision 2, clause (b), employed by each municipality and by the county for 12 calendar months and the proportional or fractional number who were employed less than 12 months;

(b) For each municipality which contracts with the county for police service, a proportionate amount of the state aid distributed to the county based on the full time equivalent number of peace officers providing contract service shall be credited against the municipality's contract obligation;

(c) For each municipality which contracts with another municipality for police service, a proportionate amount of the state aid distributed to the municipality providing contract service based on the full time equivalent number of peace officers providing contract service on a full time equivalent basis shall be credited against the contract obligation of the municipality receiving contract service;

(d) No municipality entitled to receive police state aid shall be apportioned less police state aid for any year under Laws 1976, Chapter 315, than the amount which was apportioned to it for calendar year 1975 based on premiums reported to the commissioner for calendar year 1974; provided, the amount of police state aid to other municipalities within the county and to the county shall be adjusted in proportion to the total number of peace officers in the municipalities and the county, so that the amount of police state aid apportioned shall not exceed the amount of police state aid available for apportionment.

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

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

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

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

History: 1969 c 1001 s 3; 1971 c 695 s 2; Ex1971 c 6 s 4-7; 1973 c 123 art 5 s 7; 1973 c 492 s 14; 1976 c 315 s 4-6; 1977 c 429 s 6-8,63; 1981 c 68 s 5-8; 1981 c 224 s 274; 1982 c 460 s 2

69.03 [Repealed, 1969 c 1001 s 11]

69.031 COMMISSIONER OF FINANCE'S WARRANT, APPROPRIATION, PAYMENT AND ADMINISTRATION.

Subdivision 1. Commissioner of finance's warrant. The commissioner of finance shall issue to the auditor of each county certified to him by the commissioner his warrant for an amount equal to the amount certified to by the commissioner pursuant to section 69.021.

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

Subd. 3. Appropriations. There is hereby appropriated annually from the state general fund to the counties who are entitled to payments under sections 69.021 and 69.031 an amount sufficient to make the payments specified in these sections not exceeding the tax collected.

Subd. 4. County auditor duties. When the county auditor receives the state aid provided for in subdivision 1, he shall immediately deposit that portion received on account of insurance premiums reported on the Minnesota Firetown Premium Report in a special fund for fire departments and firefighter's relief associations and within 30 days calculate and disburse the funds to the municipalities having fire departments and firefighter's relief associations who have qualified for aid within the county. He shall deposit the portion of such state aid received

on account or insurance premiums reported on the Minnesota Aid to Police Premium Report in a special fund for police departments and police retirement funds and as soon as possible, annually calculate and disburse the funds to qualifying municipalities.

Subd. 5. Deposit of state aid. (1) The municipal treasurer, when the fire state aid is received by him, shall within 30 days after receipt transmit it to the treasurer of the duly incorporated firefighter's relief association if there is one organized and the association has filed a financial report with the municipality; but if there is no relief association organized, or if any association dissolve, be removed, or has heretofore dissolved, or has been removed as trustees of state aid, then the treasurer of the municipality shall keep the money in the municipal treasury as provided for in section 424A.08 and shall be disbursed only for the purposes and in the manner set forth in that section.

(2) The municipal treasurer, upon receipt of the police state aid, shall disburse the police state aid in the following manner:

(a) For a municipality in which a local police relief association exists and all peace officers are members of the association, the total state aid shall be transmitted to the treasurer of the relief association within 30 days of the date of receipt, and the treasurer of the relief association shall immediately deposit the total state aid in the special fund of the relief association;

(b) For a municipality in which police retirement coverage is provided by the public employees police and fire fund and all peace officers are members of the fund, the total state aid shall be applied toward the municipality's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall also be contributed to the public employees police and fire fund and credited in the manner to be specified by the board of trustees of the public employees retirement association; or

(c) For a municipality in which both a police relief association exists and police retirement coverage is provided in part by the public employees police and fire fund, the municipality may elect at its option to transmit the total state aid to the treasurer of the relief association as provided in clause (a), to use the total state aid to apply toward the municipality's employer contribution to the public employees police and fire fund subject to all the provisions set forth in clause (b), or to allot the total state aid proportionately to be transmitted to the police relief association as provided in this subdivision and to apply toward the municipality's employer contribution to the public employees police and fire fund subject to the provisions of clause (b) on the basis of the respective number of active full time peace officers, as defined in section 69.011, subdivision 1, clause (g).

(3) The county treasurer, upon receipt of the police state aid for the county, shall apply the total state aid toward the county's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall also be contributed to the public employees police and fire fund and credited in the manner to be specified by the board of trustees of the public employees retirement association.

Subd. 6. Administration. The staff of the statistical-tax audit section, insurance division, shall be under the direction of the incumbent senior auditor, who shall be director of the police and fire state aid programs. Under the supervision of the director of the police and fire state aid programs shall be an auditor, a senior account clerk, a clerk typist and other personnel and equipment the director may from time to time require to carry out the provisions of the law relating to the

collection, apportionment and regulation of the police and fire state aid programs for fire departments, firefighter's relief and pension.

History: 1969 c 399 s 1; 1969 c 1001 s 4; 1971 c 695 s 3,4; Ex1971 c 6 s 8; 1973 c 492 s 14; 1976 c 315 s 7; 1977 c 429 s 9,63; 1981 c 68 s 9; 1981 c 224 s 20,21; 1Sp1981 c 4 art 1 s 59; 1982 c 424 s 15

69.04 [Repealed, 1979 c 201 s 44]

69.05 [Repealed, 1969 c 1001 s 11]

69.051 FINANCIAL REPORT, BOND, EXAMINATION.

Subdivision 1. Financial report of association. The secretary and the treasurer of each firefighters relief association or police relief association shall, in conjunction with the fire department personnel and equipment certificate required pursuant to section 69.011, subdivision 2, clause (a), or the police department and qualified peace officers certificate required pursuant to section 69.011, subdivision 2, clause (b), whichever is applicable, annually prepare and sign jointly a detailed financial report of the receipts of, disbursements from and balances in the special and general funds of the relief association for the preceding calendar year ending December 31, on a form prescribed by the commissioner. The financial report shall contain any information which the commissioner deems necessary to reveal the true financial condition of the relief association and the compliance of the relief association with the regulatory, financing and funding provisions of this chapter and any other applicable laws. The financial report shall be countersigned by the municipal clerk or clerk-treasurer of the municipality in which the relief association is located if the relief association is a firefighters relief association which is directly associated with a municipal fire department or is a police relief association, or countersigned by the secretary of the independent nonprofit firefighting corporation and by the municipal clerk or clerk-treasurer of the largest municipality in population which contracts with the independent nonprofit firefighting corporation if the relief association is a subsidiary of an independent nonprofit firefighting corporation. The financial report shall be filed by the municipal clerk or clerk-treasurer with the commissioner on or before March 1 annually. The commissioner shall forward one copy to the county auditor of the county wherein the municipality is located.

The relief association financial report shall be certified by an independent public accountant or auditor or by the auditor or accountant who regularly examines or audits the financial transactions of the municipality. In addition to certifying the financial condition of the special and general funds of the relief association, the accountant or auditor conducting the audit shall give an opinion as to the condition of the special and general funds of the relief association, and shall comment upon any exceptions to the report. The independent accountant or auditor shall have at least five years of public accounting, auditing or similar experience, and shall not be an active, inactive or retired member of the relief association or the fire or police department.

A municipality or police or firefighters relief association shall not qualify initially to receive, or be entitled subsequently to retain, state aid pursuant to this chapter if the financial reporting requirement or the applicable requirements of this chapter or any other statute or special law have not been complied with or are not fulfilled.

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

Subd. 3. Report by certain municipalities. Each municipality which has an organized fire department but which does not have a firefighter's relief association shall annually prepare a detailed financial report of the receipts and disbursements by the municipality for fire protection service during the preceding calendar year, on a form prescribed by the commissioner. The financial report shall contain any information which the commissioner deems necessary to disclose the sources of receipts and the purpose of disbursements for fire protection service. The financial report shall be signed by the municipal clerk or clerk treasurer of the municipality. The financial report shall be filed by the municipal clerk or clerk-treasurer with the commissioner on or before March 1 annually. The commissioner shall forward one copy to the county auditor of the county wherein the municipality is located. The municipality shall not qualify initially to receive, or be entitled subsequently to retain, state aid pursuant to this chapter if the financial reporting requirement or the applicable requirements of this chapter or any other statute or special law have not been complied with or are not fulfilled.

Subd. 4. Examination by commissioner and state auditor. The detailed financial report of relief associations and municipal financial reports for fire protection may be examined by the commissioner, and when he finds that it appears the money, or any part thereof, paid under the provisions of this chapter or chapter 424 has been or is being expended for an unauthorized purpose, he shall notify the state auditor of the fact. The state auditor may examine the financial reports and records of the firefighter's relief association and municipality and when he finds that the money, or any part thereof, paid under the provisions of this chapter or chapter 424, has been or is being expended for an unauthorized purpose he shall order the funds restored and take whatever steps he deems necessary to assure restoration. No further aid shall be paid to the municipality until the funds are restored. The relief association shall be liable to the state for the total cost and expenses of such examination.

History: 1969 c 1001 s 5; 1971 c 695 s 6; Ex1971 c 6 s 9; 1973 c 492 s 7; 1977 c 429 s 63; 1981 c 224 s 22,274; 1982 c 460 s 3,4

69.055 [Repealed, 1979 c 201 s 44]

69.06 [Repealed, 1979 c 201 s 44]

69.07 [Repealed, 1953 c 399 s 1]

69.08 [Repealed, 1953 c 399 s 1]

69.09 [Repealed, 1953 c 399 s 1]

69.10 [Repealed, 1953 c 399 s 1]

69.11 [Repealed, 1953 c 399 s 1]

69.12 [Repealed, 1953 c 399 s 1]

69.13 [Repealed, 1953 c 399 s 1]

69.22 [Repealed, 1979 c 201 s 44]

69.23 [Repealed, 1979 c 201 s 44]

69.24 [Repealed, 1979 c 201 s 44]

69.25 FIREFIGHTER'S RELIEF ASSOCIATIONS IN CITIES OF FIRST CLASS.

The fire departments of each city of the first class in this state shall maintain a firefighter's relief association, which shall be duly incorporated under the laws of the state. All such associations now existing as such corporations, or hereafter incorporated under the laws of this state, shall have perpetual corporate existence.

History: 1933 c 177 s 1; 1977 c 429 s 63 (3750-1)

69.26 RELIEF ASSOCIATIONS SELF GOVERNING.

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.

History: 1933 c 177 s 2; 1977 c 429 s 63 (3750-2)

69.27 MEMBERS.

A firefighter under sections 69.25 to 69.53 is one who is regularly entered on the payroll of one of the fire departments serving on active duty with a designated fire company thereon or having charge of one or more of the companies and engaged in the hazards of fire fighting; and shall include all members of the electrical and mechanical divisions of these fire departments and all others who are subject to like hazards. Substitutes and persons employed irregularly from time to time shall not be included.

All persons who are members of such relief associations on April 8, 1933, whether their status is embraced within the definition of a firefighter herein contained or otherwise, shall have the right to continue as members of their respective associations and be entitled to all benefits pertaining thereto, and any member included under the definition of firefighter shall have the right to retain his membership on promotion or appointment to other positions to which the firefighter may be subject.

Sections 69.25 to 69.53 shall not affect any pensions or other benefits which have been allowed or which are being paid by any such relief association under or in accordance with any prior act on April 8, 1933. Payment of these pensions and benefits shall be continued by the respective associations and shall be subject only to the provisions of section 69.42.

History: 1933 c 177 s 3; 1951 c 557 s 1; 1977 c 429 s 63 (3750-3)

69.28 ELIGIBILITY.

Every firefighter shall apply for membership in the relief association in the city in which he is employed within the time and in the manner hereinafter set forth. Any such firefighter shall, not later than 90 days from the time he is regularly entered on the payrolls of the fire department, make written application for membership in the relief association on forms supplied by the association, accompanied by one or more physician's certificates required by the bylaws of the association. After the application has been filed the board of examiners of the association shall make a thorough investigation thereof and file its report with the secretary of the association. The application must be acted upon by the association within six months from the date applicant was entered on the payroll of the fire department. No firefighter, who is more than 35 years of age when his application is filed, can become a member of the relief association, except that such age limitation of 35 years shall not apply on application for reinstatement in the association.

Any member of the fire department in any city of the first class on January 1, 1941, may be eligible to membership in a firefighter's relief association. Such member shall make application within 90 days from and after April 21, 1953. His application must be acted upon by the association within six months thereafter.

Upon the acceptance of the application, the membership of the applicant shall become effective as of the date when he was entered on the payroll of the

department, provided the applicant shall make up all dues which he would have paid had he been a member of the firefighter's relief association from the date he entered upon the payroll of the department. All payments, benefits, and privileges to which these firefighters are entitled as members of that fund shall be governed by sections 69.25 and 69.61.

History: 1933 c 177 s 4; 1937 c 155 s 1; 1941 c 258 s 1; 1953 c 570 s 1; 1977 c 429 s 63 (3750-4)

69.29 EXCLUSION FROM MEMBERSHIP.

Each firefighters' relief association may exclude all applicants for membership who are not physically and mentally sound so as to prevent unwarranted risks for the association. Additional requirements for entrance fees and annual dues for membership in the association may from time to time be prescribed in the bylaws of the association. Each firefighters' relief association may exclude from active membership all members who reach 65 years of age regardless of the provisions of sections 197.455 to 197.48. When such members who have reached 65 years of age have been so excluded from active membership in the relief association, they shall be retired and receive a service pension as provided in this chapter.

The St. Paul and Duluth firefighters relief associations shall exclude and the Minneapolis firefighters relief association shall exclude or shall consider as a provisional member of the relief association pursuant to section 356.451, as specified by the city council of the city of Minneapolis, all applicants for membership and all present members who are employed in subsidized on-the-job training, work experience or public service employment as enrollees under the federal comprehensive employment and training act from and after March 30, 1978 unless the applicant or member has as of the later of the date of application for membership or March 30, 1978 sufficient service credit in the relief association to meet the minimum vesting requirements for a deferred service pension, or the city of the first class agrees in writing to make the total required employer contributions on account of that individual from revenue sources other than funds provided under the federal comprehensive employment and training act, or the applicant or member agrees in writing to make the required employer contributions in addition to the member contribution.

History: 1933 c 177 s 5; 1957 c 26 s 1; 1957 c 180 s 1; 1977 c 429 s 63; 1978 c 720 s 1; 1Sp1981 c 4 art 1 s 18 (3750-5)

69.30 OFFICERS, DUTIES, BONDS.

The officers of a relief association shall be a president, one or more vice-presidents, a secretary, and a treasurer. The offices of assistant secretary and assistant treasurer may be created by the bylaws of any such association. The affairs of such association shall be managed by a board of trustees elected in the manner prescribed by the articles of incorporation of the association.

The secretary and the treasurer of each such relief association shall each furnish a corporate bond to the association for the faithful performance of his duties in such amount as the association from time to time may determine. Each relief association shall, and it is hereby authorized to, pay the premiums on these bonds from its general fund.

History: 1933 c 177 s 6 (3750-6)

69.31 [Repealed, Ex1971 c 6 s 11]

69.32 CITY CLERK TO FILE REPORT WITH COMMISSIONER.

The clerk of each city of the first class having a firefighter's relief association shall, on or before March 1 each year, make and file with the county auditor and the commissioner of insurance his certificate stating the existence of the firefighter's relief association and any other information the commissioner or auditor may require.

History: 1933 c 177 s 8; 1969 c 1001 s 8; 1977 c 429 s 63 (3750-8)

69.33 NAMES OF ASSOCIATIONS REPORTED TO INSURANCE COMPANIES.

The commissioner shall enclose in his annual statement blank sent by him to all fire insurance companies doing business in this state a blank form containing the names of all firefighter's relief associations in all cities of the first class and the names of the cities and require these companies, at the time of making their annual statements to the commissioner, to state on these blanks the amount of premiums received by them upon properties insured within the corporate limits of the cities named thereon during the year ending December 31st last past. Thereafter, before July first each year, the commissioner shall certify to the commissioner of finance the information thus obtained, together with the amount of the tax for the benefit of the relief association paid in such year by these companies upon these insurance premiums.

History: 1933 c 177 s 9; 1973 c 492 s 14; 1977 c 429 s 63 (3750-9)

69.34 [Repealed, 1969 c 1001 s 11]

69.35 [Repealed, 1969 c 1001 s 11]

69.36 TAX LEVY.

The city council or other governing body of each city wherein such a relief association is located shall each year, at the time the tax levies for the support of the city are made, and in addition thereto, levy a tax of three-fourths of one mill on all taxable property within the city. In the event the balance in the relief association's special fund, at the time the levy is made, is less than \$500,000, as determined by the association's board of trustees, then the city's governing body shall increase the rate of this tax levy to one mill, and in any city now or hereafter having 500,000 or more inhabitants the governing body of the city shall further increase the rate of this tax levy to one and one-half mills in each of the years 1957 and 1958. In the event the balance in the fund at that time, in any city in which the charter of the city contains a per capita limitation on expenditures, is less than \$400,000 then the city's governing body shall increase the rate of this tax levy to one and one-half mills. The tax so levied shall be transmitted with other tax levies to the auditor of the county in which such city is situated and shall be collected and payment thereof enforced when and in like manner as state and county taxes are paid.

The city council or other governing body of any city of the first class, having a population of not less than 75,000 and not more than 150,000, wherein such a relief association is located, and in the charter of such city where is contained a per capita limitation on tax levies, shall each year, at the time the tax levies for the support of the city are made, and in addition thereto, levy a tax of eleven-twelfths of one mill on all taxable property within the city. In the event the balance in the relief association's special fund, at the time the levy is made, is less than \$500,000, as determined by the association's board of trustees, then the city's governing body shall increase the rate of this tax levy to one mill.

History: 1933 c 177 s 12; 1935 c 87 s 1; 1937 c 279 s 1; 1943 c 316 s 1; 1947 c 145 s 1; 1951 c 273 s 1; 1955 c 188 s 1; 1957 c 24 s 1; 1957 c 590 s 1; 1973 c 773 s 1 (3750-12)

69.361 PAYROLL DEDUCTION.

In addition to the moneys in the special and general fund of said association, or provided to be raised therefor under existing laws for the payment of pensions and other benefits, revenues from the following sources shall be paid to said special and general fund:

(1) It shall be the duty of the city clerk, treasurer, or other disbursing officer of such city to deduct each month from the monthly pay of each member of the relief association, a sum equal to three and one-half percent of the basic monthly pay of a first grade firefighter, and pay the same to the treasurer of the relief association for credit to the special fund of said association, except that in any city now or hereafter having 75,000 inhabitants or more and less than 150,000 inhabitants, the sums herein referred to shall be four percent.

(2) The city clerk, treasurer, or other disbursing officer of the city shall deduct each month from the monthly pay of each member of the relief association, a sum equal to one-half of one percent of the basic monthly pay of a first grade firefighter, and pay the same to the treasurer of the relief association for credit in the general fund of the association, except that in any city now or hereafter having 75,000 inhabitants or more and less than 150,000 inhabitants, no deductions will be made or paid for credit in the general fund.

History: 1947 c 145 s 2; 1955 c 188 s 2; 1957 c 590 s 2; 1977 c 429 s 63

69.37 COUNTY TREASURER TO PAY OVER MONEYS COLLECTED.

As soon as practicable after the first days of June and November, each year, the treasurer of each such county shall pay to the treasurer of each relief association within the county the amount of the tax then collected and payable to the association, together with all interest and penalties so collected, and all interest paid thereon between the time of collection and the time of payment to the relief association. The treasurer of the city, in the event that the tax, or any part thereof, is paid to him, shall likewise pay the same to the treasurer of the relief association in the city as soon as the same has been collected, together with all interest and penalties collected thereon.

History: 1933 c 177 s 13 (3750-13)

69.38 ASSOCIATIONS TO MANAGE FUNDS.

Each relief association shall have full and permanent charge of, and the responsibility for the proper management and control of, all funds that may come into its possession, and particularly funds derived from the following sources:

- (1) Funds derived from the state and interest from the investment thereof;
- (2) Funds derived from tax levies by the city in which the relief association is located and interest from the investment thereof; and
- (3) Funds derived from private sources, such as gifts, charges, rents, entertainments, dues paid by members, and from other sources.

History: 1933 c 177 s 14 (3750-14)

69.39 SEPARATE FUND.

The money received from the various sources shall be kept in two separate and distinct funds, one to be designated as the association special fund, and the other as its general fund. All money received from the state and from the city in which the relief association is located shall be deposited in the special fund and expended only for purposes authorized in sections 69.40 to 69.50. All money received from other sources shall be deposited in the general fund and may be expended for any purpose deemed proper by the association.

History: 1933 c 177 s 15 (3750-15)

69.40 PAYMENTS.

The amount so paid to a relief association by the state and each city under the provisions of sections 69.25 to 69.53, and by it set aside and deposited as a special fund, shall be appropriated and disbursed by the association for the following purposes:

(1) For the relief of sick, injured and disabled members of the relief association, their surviving spouses and orphans; and

(2) For the payment of disability and service pensions to members of the relief association; and

(3) For the payment of the administrative expenses of the association as authorized pursuant to section 69.80.

History: 1933 c 177 s 16; 1955 c 188 s 3; 1969 c 962 s 1; 1975 c 56 s 1; 1976 c 121 s 5; 1978 c 690 s 1 (3750-16)

69.41 SICKNESS AND DISABILITY DEFINED.

Each such relief association shall in its bylaws define the sickness and disability entitling its members to relief, specify the amounts thereof and the amounts to be paid to its disability and service pensioners and to surviving spouses and children of deceased members, and to fix the age limit of children to whom pensions may be paid.

History: 1933 c 177 s 17; 1955 c 188 s 4; 1955 c 358 s 1; 1976 c 121 s 6 (3750-17)

69.42 PENSIONS, RIGHT TO REDUCE.

Such firefighter's relief association shall at all times have and retain the right to reduce the amount of pensions and benefits paid out of its funds, and to reduce and otherwise adjust the amounts of the pensions and benefits to be thereafter paid out of its fund and, within the limits described in sections 69.25 to 69.53, the association shall have and retain the right to increase or otherwise adjust these pensions and benefits after the same have been so reduced.

History: 1933 c 177 s 18; 1955 c 188 s 5; 1955 c 358 s 2; 1977 c 429 s 63 (3750-18)

69.43 PERSONS ENTITLED TO RELIEF.

A member of the association who, by reason of sickness or accident, becomes disabled from performing his assignment of duties on the fire department shall be entitled to such relief as the bylaws of the association may provide.

No allowances for such disabilities shall be made unless notice of the disability and application for benefits on account thereof shall be made by, or on behalf of, the disabled member to the secretary of the association within 30 days after the beginning of the disability.

History: 1933 c 177 s 19 (3750-19)

69.44 DISABILITY BENEFITS, AMOUNT.

A member of any such relief association entitled to disability benefits as herein defined, shall receive the same from his association for such periods of time, at such times, and in such amounts, not to exceed 40 units per month, as the bylaws of said association provide.

History: 1933 c 177 s 20; 1947 c 144 s 1; 1949 c 573 s 1; 1951 c 557 s 2; 1953 c 80 s 1; 1955 c 188 s 6; 1955 c 358 s 3 (3750-20)

69.45 RETIREMENT PENSION.

A member of such association who has completed a period, or periods of service on the fire department equal to 20 years or more, shall, after he has arrived at the age of 50 years, or more, and has retired from the payroll of the fire department, be entitled to a basic pension of not less than 20 units and not more than 32 units per month for his natural life in conformity to the bylaws of each association. Any and all leaves of absence of more than 90 days, except such as are granted to a member because of his disability due to sickness or accident, shall be excluded in computing said period of service; and all periods of time during which a member received a disability pension shall be excluded in such computation. No deductions shall be made for a leave of absence granted to a member to enable him to accept an appointive position in said fire department. No member shall be entitled to draw both a disability and a service pension.

Such monthly basic payments may be increased by adding to said basic pension the sum of one unit per month, or any portion thereof, for each year of active duty over 20 and not more than 35 years.

The bylaws of each association may provide for these increases, or any portion thereof; provided, that in no event the total pension exceed the sum of 40 units per month.

A unit shall be 1/80th of the maximum monthly salary of a first grade firefighter on the first day of the month in which the pensions provided for in sections 69.25 to 69.53 are paid.

History: 1933 c 177 s 21; 1947 c 144 s 2; 1949 c 573 s 2; 1951 c 557 s 2; 1953 c 80 s 2; 1955 c 188 s 7; 1955 c 358 s 4; 1971 c 574 s 1 (3750-21)

69.46 MEMBER MAY BE ON DEFERRED PENSION LIST.

A member of the association who has performed service on the fire department for 20 years or more but has not reached the age of 50 years shall have the right to retire from the department without forfeiting his right to a service pension. He shall, upon application, be placed on the deferred pension roll of the association and, after he has reached the age of 50 years, the association shall, upon his application therefor, pay his pension from the date the application is approved by the association. Any person making this application thereby waives all other rights, claims, or demands against his association for any cause that may have arisen from, or that may be attributable to, his service in the fire department.

History: 1933 c 177 s 22 (3750-22)

69.47 WAR SERVICE INCLUDED IN PERIOD OF SERVICE.

Any applicant for a service pension who subsequent to his entry into the service of such fire department leaves the active service of such fire department to serve in the military forces of the United States in any war or national emergency, or having during such war or emergency left the active service of such fire department to enter the employment of the government of the United States and in such service rendered fire prevention services during such war or emergency and has returned after his honorable discharge from such service, and, within six months after such discharge, either applied for reinstatement in or resumed active duty in said fire department, the period of his absence in such service of the United States shall be counted in computing the period of service hereinbefore provided for, but during such period of military or fire prevention service he shall not be considered as an active member of his association.

History: 1933 c 177 s 23; 1941 c 258 s 2; 1945 c 286 s 1 (3750-23)

69.48 SURVIVING SPOUSES AND CHILDREN, PENSIONS.

When a service pensioner, disability pensioner, or deferred pensioner, or an active member of a relief association dies, leaving

(1) A legal spouse, residing with the deceased at the time of death, and who was married to the deceased while or prior to the time the deceased was on the payroll of the fire department; and who, in case the deceased member was a service or deferred pensioner was legally married to the member at least three years before the decedent's retirement from the fire department; 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 15 units, and not to exceed the sum of 18 units per month, as the bylaws of the association provide, for the spouse's natural life; provided, that if the spouse shall remarry then the pension shall cease and terminate as of the date of the spouse's remarriage;

(b) To the child or children, if their other parent be living, a pension of not to exceed six 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, in conformity with the bylaws of the association; provided, the total pensions hereunder for the surviving spouse and children of the deceased member shall not exceed the sum of 40 units per month;

(c) A child or children of a deceased member receiving a pension or pensions hereunder shall, after the death of their other parent, 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, 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 40 units per month.

History: 1933 c 177 s 24; 1949 c 573 s 3; 1951 c 557 s 4; 1955 c 188 s 8; 1955 c 358 s 5; 1976 c 121 s 7 (3750-24)

69.485 [Repealed, 1953 c 80 s 3]

69.49 BOARD OF EXAMINERS.

The relief association shall establish a board of examiners who shall, as and when requested by the association's board of trustees, make a thorough investigation of and report on all applications for membership in the association; investigate and make report on all applications for disability pensions and make recommendations as to the amount to be paid to each applicant; investigate and make report on all disability pensioners, and make recommendations as to amount of pension to be paid to them, from year to year; and investigate and report on all applications for service pensions, and claims for relief. This board shall consist of a competent physician selected by the association, and at least three members of the relief association on active duty with the fire department.

History: 1933 c 177 s 25 (3750-25)

69.50 STATE AUDITOR TO EXAMINE BOOKS.

The state auditor of this state shall, each year, examine the books and accounts of the secretary and the treasurer of each such relief association. If he finds that any money has been expended for purposes not authorized by sections 69.25 to 69.53, he shall report the same to the governor, who shall thereupon direct

the commissioner of finance not to issue any further warrants to the association until the state auditor shall report that money unlawfully expended has been replaced. The governor may also take such further action as the emergency may demand.

History: 1933 c 177 s 26; 1973 c 492 s 7.14 (3750-26)

69.51 PAYMENTS EXEMPT FROM PROCESS.

All payments made, or to be made, by any relief association under any of the provisions of sections 69.25 to 69.53 shall be totally exempt from garnishment, execution, or other legal process and no persons entitled to such payment shall have the right to assign the same, nor shall the association have authority to recognize any assignment or to pay any sum on account thereof; and any attempt to transfer any such right or claim, or any part thereof, shall be void.

History: 1933 c 177 s 27 (3750-27)

69.52 WORKERS' COMPENSATION ACT NOT AFFECTED.

Sections 69.25 to 69.53 shall not be construed as abridging, repealing, or amending the laws of this state relating to the provisions of the law commonly known as the workers' compensation act.

History: 1933 c 177 s 28; 1975 c 359 s 23 (3750-28)

69.53 ACTS REPEALED, EXCEPTIONS.

All prior laws of this state relating to firefighter's relief associations in cities of the first class, the rights and obligations of the members thereof, and the use and control of the funds received by these associations, are hereby in all things repealed, except as provided in section 69.27.

History: 1933 c 177 s 29; 1977 c 429 s 63 (3750-29)

69.54 SURCHARGE ON PREMIUMS TO RESTORE DEFICIENCY IN SPECIAL FUND.

The commissioner shall order and direct a surcharge to be collected of two percent of the fire, lightning, and sprinkler leakage gross premiums, less return premiums, on all direct business received by any foreign or domestic fire insurance company on property in this city of the first class, or by its agents for it, in cash or otherwise. This surcharge shall be due and payable from these companies to the state treasurer, in semiannual installments, on June 30th and December 31st of each calendar year, and if not paid within 30 days after these dates, a penalty of ten percent shall accrue thereon and thereafter this sum and penalty shall draw interest at the rate of one percent per month until paid.

History: Ex1934 c 53 s 1; 1935 c 86 s 1; 1937 c 361 s 1; Ex1961 c 21 s 1; 1967 c 762 s 1 (3750-31)

69.55 WARRANT ON STATE TREASURER.

The commissioner of finance semiannually after July 31, 1934, shall issue and deliver to the treasurer of the relief association in such city his warrant upon the state treasurer for an amount equal to the total amount of the surcharge on the premiums within the city theretofore so collected and transmitted to the state treasurer by these insurance companies. There is hereby appropriated out of any moneys in the general fund in the state treasury not otherwise appropriated such sums as may, from time to time, be necessary to pay these warrants.

History: Ex1934 c 53 s 2; 1935 c 86 s 2; 1969 c 399 s 1; 1973 c 492 s 14 (3750-32)

69.56 STATE TREASURER TO PAY WARRANT.

The state treasurer shall, upon presentation to him of the warrant of the commissioner of finance specified in section 69.55, pay out of the general fund of the state the amount thereof to the treasurer of the relief association presenting the warrant. The treasurer of the relief association shall place the money received by him in payment of any such warrant in the special fund of the relief association.

History: *Ex1934 c 53 s 3; 1935 c 86 s 3; 1969 c 399 s 1; 1973 c 492 s 14 (3750-33)*

69.57 [Unnecessary]**69.58 INSURING IN UNAUTHORIZED COMPANIES; DUES; STATEMENT.**

The owner of any property situated in any municipality having an organized fire department, or a partly paid or volunteer department, who carries insurance in a company not licensed by this state, or if he has not insured his property, who sets aside a reserve against loss or damage by fire, shall furnish to the commissioner, on a form prescribed and furnished by the commissioner, a statement, verified by affidavit, showing the description and location of the property, the amount of insurance, in companies not licensed by this state, he has effected against loss or damage by fire, the number of the policy, the name and location of the company issuing the policy, and the premiums paid; or, if he has not insured his property, the amount paid into or credited to any insurance fund or other reserve against loss or damage by fire. This statement shall be furnished by those property owners carrying insurance in companies not licensed by this state not more than 30 days after the issuance of the policy of insurance, and by those property owners not carrying insurance but having an insurance or other reserve fund against loss or damage by fire, upon demand of the commissioner, or, if no demand is made, then on or before January 31st, each year. Every such property owner whose duty it is to make this statement who shall wilfully make a false statement, or who shall, for 30 days after the demand neglect to render the statement, shall be guilty of a misdemeanor and fined \$50, one-half of which fine shall be transmitted to the commissioner and disbursed by him as other sums collected under the terms of sections 69.58 to 69.61 are disbursed.

History: *Ex1934 c 56 s 1; 1937 c 258 s 1 (3750-35)*

69.59 COLLECTION OF PERCENTAGE ON PREMIUM; RECOVERY.

If the insurance has been effected in any company not authorized to do business in this state, or if the owner carries his own insurance fund or reserves, the commissioner shall, and he is hereby authorized and empowered to, collect from the property owner such taxes as would equal the taxes on the annual premium which authorized insurance companies would have charged for insuring the property. If not paid upon demand, this percent may be recovered in a civil action brought in the name of the state.

History: *Ex1934 c 56 s 2; 1937 c 258 s 2 (3750-36)*

69.60 PROCEEDS, DISPOSAL OF.

All sums collected under the terms of sections 69.58 to 69.61 shall be payable to the respective municipalities or fire department relief associations in the same manner and disbursed for the same purposes as the two percent state tax on fire insurance premiums.

History: *Ex1934 c 56 s 3; 1937 c 258 s 3 (3750-37)*

69.61 EXEMPT PROPERTY.

Sections 69.58 to 69.61 shall not apply to property owned and occupied exclusively as a homestead, nor to exempt property specified in section 550.37 and upon which homestead or exempt property the owner carries his own insurance.

History: *Ex1934 c 56 s 4 (3750-38)*

69.62 PENSION PAYMENTS EXEMPT FROM GARNISHMENT.

No payment made or to be made by any fire department relief association in a city of the first class under the provisions of section 69.25 to any member of the pension roll shall be subject to judgment, garnishment, execution, or other legal process; and no person entitled to this payment shall have the right to assign the same, nor shall the association have the authority to recognize any assignment or pay over any sum which has been assigned.

History: *1923 c 204 s 1 (3751)*

- 69.66** [Repealed, 1979 c 201 s 44]
- 69.67** [Repealed, 1979 c 201 s 44]
- 69.68** [Repealed, 1979 c 201 s 44]
- 69.69** [Repealed, 1969 c 1001 s 11]
- 69.691** [Repealed, 1979 c 201 s 44]
- 69.70** [Repealed, Ex1971 c 6 s 11]
- 69.71** [Repealed, 1978 c 563 s 31]
- 69.72** [Repealed, 1978 c 563 s 31]
- 69.73** [Repealed, 1978 c 563 s 31]
- 69.74** [Repealed, 1978 c 563 s 31]
- 69.75** [Repealed, 1978 c 563 s 31]
- 69.76** [Repealed, 1978 c 563 s 31]

69.77 POLICE AND FIREFIGHTERS' RELIEF ASSOCIATION GUIDELINES ACT.

Subdivision 1. **Authorized employer support for a relief association.** Notwithstanding any law to the contrary, a municipality may contribute public funds, including any applicable police or fire state aid, or levy property taxes for the support of a police or firefighters' relief association, enumerated in subdivision 1a, however organized, which provides retirement coverage or pays a service pension to a retired police officer or firefighter or a retirement benefit to a surviving dependent of either an active or retired police officer or fire fighter, for the operation and maintenance of the relief association only if the municipality and the relief association comply with the provisions of this section. The commissioner of insurance shall not include in the apportionment of police or fire state aid to the county auditor pursuant to section 69.021, subdivision 6, any municipality in which there exists a local police or salaried firefighters relief association as enumerated in subdivision 1a which does not comply with the provisions of this section or the provisions of any applicable special law relating to the funding or financing of the association and that municipality shall not qualify initially to receive, or be entitled subsequently to retain, state aid pursuant to sections 69.011 to 69.051 until the reason for disqualification is remedied, whereupon the municipality, if otherwise qualified, shall be entitled to again receive state aid for the year occurring immediately subsequent to the year in which the disqualification is remedied. The commissioner of insurance shall determine if a municipality with a local police or salaried firefighters relief association fails to comply with the provisions of this section or the funding or financing provisions of any applicable special law.

Subd. 1a. The provisions of this section shall apply to the following retirement funds:

(1) Any police pension fund or relief association which is established pursuant to chapter 423;

(2) Any salaried firefighters pension fund or relief association which is established pursuant to chapter 424;

(3) Any pension fund or relief association which is established pursuant to this chapter which has five or more members who receive compensation for services rendered in the employment covered by the pension fund or relief association and which provides for retirement coverage or a service pension based on the compensation paid to members for that service;

(4) Any pension fund or relief association which is established and operates in whole or in part pursuant to special legislation and which provides for retirement coverage or a service pension based on the compensation paid to members for service as police officers or firefighters or which provides for retirement coverage or a service pension to volunteer firefighters based on the compensation paid to or the service pension provided by a pension fund or relief association located in the same municipality for police officers employed by the municipality but not covered by clauses (1), (2) or (3); and

(5) Any governmental subdivision retirement fund established pursuant to any law providing for retirement coverage to police officers or salaried firefighters or a retirement benefit to their dependents and not otherwise described in this subdivision.

Subd. 2. The penalty provided for in subdivision 1 shall not apply to a relief association enumerated in subdivision 1a if the following requirements are met:

(1) Each member of the relief association pays into the special fund of the association during a year of covered service, a contribution for retirement coverage including survivorship benefits of not less than eight percent of the maximum rate of salary upon which retirement coverage is credited and service pension and retirement benefit amounts are determined. The member contributions shall be made by payroll deduction from the salary of the member by the municipality, and shall be transmitted by the municipality to the relief association as soon as practical. The relief association shall deposit the member contribution to the credit of the special fund of the relief association, provided that to avoid undue increase in the amount of employee contributions in any one year, any increase in the amount of contributions required by this section may be spread over several years with the approval of the municipality, but the increase in rate of contribution in each year shall not be less than one percent until the appropriate levels of required employee contributions have been reached. The member contribution requirement specified in this clause shall not apply to any members who are volunteer firefighters unless the governing body of the municipality did not approve this member contribution exemption following the consideration by the municipal governing body of the first actuarial survey filed with the municipality following January 1, 1970.

(2) The officers of the relief association determine the financial requirements of the relief association and minimum obligation of the municipality for the following calendar year in accordance with the requirements of this clause. The financial requirements of the relief association and the minimum obligation of the municipality shall be determined on or before the submission date established by the municipality pursuant to clause (3).

The financial requirements of the relief association for the following calendar year shall be based on the most recent actuarial valuation or survey prepared in accordance with sections 356.215, subdivision 4 and 356.216, whether or not the

actuarial valuation or survey was prepared at a greater frequency than minimally required pursuant to clause (8). In the event that an updated actuarial valuation or an actuarial estimate is prepared by the actuary of the relief association as part of obtaining a modification of the benefit plan of the relief association and the modification is implemented, the updated actuarial valuation or actuarial estimate shall be used in calculating the financial requirements of the relief association.

If the relief association has an unfunded accrued liability as reported in the most recent actuarial valuation or survey, the total of the amounts calculated pursuant to clauses (a) and (b) shall constitute the financial requirements of the relief association for the following year. If the relief association does not have an unfunded accrued liability as reported in the most recent actuarial valuation or survey the amount calculated pursuant to subclause (a) shall constitute the financial requirements of the relief association for the following year.

(a) The normal level cost requirement for the following year, expressed as a dollar amount, which shall be determined by applying the normal level cost of the relief association as reported in the actuarial valuation or survey and expressed as a percentage of covered payroll to the estimated covered payroll of the active membership of the relief association, including any projected increase in the active membership, for the following year.

(b) To the dollar amount of normal cost thus determined shall be added an amount equal to the level annual dollar amount which is sufficient to amortize the unfunded accrued liability by December 31, 2010, as determined from the actuarial valuation or survey of the fund, using an interest assumption set at the rate specified in section 356.215, subdivision 4, clause (4). The amortization date specified in this subclause shall apply to all local police or salaried firefighters relief associations and shall supersede any amortization date specified in any applicable special law.

The minimum obligation of the municipality shall be an amount equal to the financial requirements of the relief association reduced by the estimated amount of member contributions from covered salary anticipated for the following calendar year and the estimated amounts from the applicable state aid program established pursuant to sections 69.011 to 69.051 anticipated as receivable by the relief association after any allocation pursuant to section 69.031, subdivision 5, clause (2), subclause (c) or 423A.01, subdivision 2, clause (6), and from the local police and salaried firefighters' relief association amortization aid program established pursuant to section 423A.02 anticipated for the following calendar year.

(3) The officers of the relief association shall submit determination of the financial requirements of the relief association and of the minimum obligation of the municipality to the governing body on or before the date established by the municipality which shall not be earlier than August 1 and shall not be later than September 1 of each year. The governing body of the municipality shall ascertain whether or not the determinations were prepared in accordance with law.

(4) The municipality shall provide for and shall pay each year at least the amount of the minimum obligation of the municipality to the relief association. If there is any deficiency in the municipal payment to meet the minimum obligation of the municipality as of the end of any calendar year, the amount of the deficiency shall be added to the minimum obligation of the municipality for the following year calculated pursuant to clause (2) and shall include interest at the rate of six percent per annum compounded from the date that the municipality was required to make payment pursuant to this clause until the date that the municipality actually makes the required payment.

(5) The municipality shall provide in the annual municipal budget for at least the minimum obligation of the municipality calculated pursuant to clause (2). The municipality may levy taxes for the payment of the minimum obligation of the

municipality without any limitation as to rate or amount and irrespective of limitations imposed by other provisions of law upon the rate or amount of taxation when the balance of the special fund or any fund of the relief association has attained a specified minimum asset level. In addition, any taxes levied pursuant to this section shall not cause the amount or rate of other taxes levied in that year or to be levied in a subsequent year by the municipality which are subject to a limitation as to rate or amount to be reduced. If the municipality does not include the full amount of the minimum obligation of the municipality in the levy that the municipality certified to the county auditor in any year, the officers of the relief association shall certify the amount of any deficiency to the county auditor. Upon verifying the existence of any deficiency in the levy certified by the municipality, the county auditor shall spread a levy over the taxable property of the municipality in the amount of the deficiency certified to by the officers of the relief association.

(6) Any sums of money paid by the municipality to the relief association in excess of the minimum obligation of the municipality in any year shall be used to amortize any unfunded liabilities of the relief association.

(7) The funds of the association shall be invested in securities which are proper investments pursuant to section 11A.24, except that up to \$10,000 may be invested in the stock of any one corporation in any account of such small size that the three percent stock limitation specified in section 11A.24, subdivision 5 would necessitate a lesser investment. Securities held by the association before July 1, 1971, which do not meet the requirements of this paragraph may be retained after that date if they were proper investments for the association on April 28, 1969. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board under the provisions of section 11A.17, provided that there be no limit to the amount which may be invested in the income share account, in the bond account, or in the fixed-return account, and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental investment fund may be invested in the growth share account.

(8) The association shall procure an actuarial valuation showing the condition of the special fund of the relief association pursuant to sections 356.215 and 356.216 as of December 31 as of every even numbered year. The association shall also procure a quadrennial experience study pursuant to sections 356.215 and 356.216, as of December 31, 1978, and shall procure a quadrennial experience study every four years thereafter. A copy of the actuarial survey and the quadrennial experience study shall be filed with the director of the legislative reference library, the governing body of the municipality in which the association is organized, the executive secretary of the legislative commission on pensions and retirement, and the commissioner of insurance, not later than June 1 of the following year.

Subd. 2a. Any amendment to the bylaws or articles of incorporation of a relief association which increases or otherwise affects the retirement coverage provided by or the service pensions or retirement benefits payable from any police or firefighters relief association enumerated in subdivision 1a shall not be effective until it is ratified by the municipality in which the relief association is located. The officers of the relief association shall not seek municipal ratification prior to obtaining either an updated actuarial valuation including the proposed amendment or an estimate of the expected actuarial impact of the proposed amendment prepared by the actuary of the relief association and submitting that actuarial valuation or estimate to the clerk of the municipality.

Subd. 3. This section may be cited as "The Police and Firefighter's Relief Associations Guidelines Act of 1969".

History: 1969 c 223 s 1,2; 1971 c 11 s 1; 1971 c 329 s 1; 1973 c 129 s 6; 1973 c 772 s 2; 1974 c 152 s 10; 1975 c 271 s 6; 1977 c 429 s 63; 1978 c 563 s 1-3; 1980 c 341 s 1; 1980 c 607 art.14 s 27; art 15 s 2; 1981 c 208 s 7; 1981 c 224 s 23-26; 1982 c 460 s 5; 1982 c 578 art 3 s 2

69.771 VOLUNTEER FIREFIGHTER'S RELIEF ASSOCIATION FINANCING GUIDELINES ACT; APPLICATION.

Subdivision 1. **Covered relief associations.** The applicable provisions of sections 69.771 to 69.776 shall apply to any firefighter's relief association other than a relief association enumerated in section 69.77, subdivision 1a, which is organized under any laws of this state, which is composed of volunteer firefighters or composed partially of volunteer firefighters and partially of salaried firefighters with retirement coverage provided by the public employees police and fire fund and which operates subject to the service pension minimum requirements for entitlement and maximums contained in section 424A.02, or a special law modifying those requirements or maximums.

Subd. 2. **Authorized employer support for a relief association.** Notwithstanding any law to the contrary, a municipality may lawfully contribute public funds, including any applicable fire state aid, or levy property taxes for the support of a firefighter's relief association specified in subdivision 1, however organized, which provides retirement coverage or pays a service pension to retired firefighter or a retirement benefit to a disabled firefighter or a surviving dependent of either an active or retired firefighter for the operation and maintenance of the relief association only if the municipality and the relief association comply with the provisions of sections 69.771 to 69.776.

Subd. 3. **Remedy for noncompliance; determination.** Any municipality in which there exists a firefighters' relief association as specified in subdivision 1 which does not comply with the applicable provisions of sections 69.771 to 69.776 or the provisions of any applicable special law relating to the funding or financing of the association shall not qualify initially to receive, or be entitled subsequently to retain, fire state aid pursuant to sections 69.011 to 69.051 until the reason for disqualification is remedied, whereupon the municipality or relief association, if otherwise qualified, shall be entitled to again receive fire state aid for the year occurring immediately subsequent to the year in which the disqualification is remedied. The commissioner of insurance shall determine if a municipality to which a firefighters' relief association is directly associated or a firefighters' relief association fails to comply with the provisions of sections 69.771 to 69.776 or the funding or financing provisions of any applicable special law based upon the information contained in the annual financial report of the firefighters' relief association required pursuant to section 69.051.

History: 1971 c 261 s 1; 1977 c 429 s 63; 1979 c 201 s 1; 1980 c 509 s 19; 1982 c 460 s 6

69.772 RELIEF ASSOCIATIONS PAYING LUMP SUM SERVICE PENSIONS.

Subdivision 1. **Application.** This section shall apply to any firefighter's relief association specified in section 69.771, subdivision 1, which pays a lump sum service pension, but which does not pay a monthly service pension, to a retiring firefighter when at least the minimum requirements for entitlement to a service pension specified in section 424A.02, or any applicable special legislation and the articles of incorporation or bylaws of the relief association have been met. Each

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firefighter's relief association to which this section applies shall determine the accrued liability of the special fund of the relief association in accordance with the applicable accrued liability table set forth in subdivision 2 and the financial requirements of the relief association and the minimum obligation of the municipality in accordance with the procedure set forth in subdivision 3.

Subd. 2. Determination of accrued liability. Each firefighters' relief association which pays a service pension when a retiring firefighter meets the minimum requirements for entitlement to a service pension specified in section 424A.02 and which in its articles of incorporation or bylaws requires service credit for a period of service less than 20 years of active service for a totally nonforfeitable service pension as provided in section 424A.09 shall determine the accrued liability of the special fund of the firefighters' relief association relative to each active or deferred member of the relief association, calculated individually using the following table:

Cumulative Year	Accrued Liability
.....
1	\$35
2	71
3	110
4	150
5	192
6	236
7	283
8	332
9	383
10	437
11	494
12	553
13	616
14	681
15	750
16 and thereafter	50 additional per year

Each firefighters' relief association which pays a service pension when a retiring firefighter meets the minimum requirements for entitlement to a service pension specified in section 424A.02 and which in its articles of incorporation or bylaws requires service credit for a period of service of at least 20 years of active service for a totally nonforfeitable service pension shall determine the accrued liability of the special fund of the firefighters' relief association relative to each active or deferred member of the relief association, calculated individually using the following table:

Cumulative Year	Accrued Liability
.....
1	\$30
2	62
3	95
4	130
5	167
6	205
7	246
8	288
9	333
10	380

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Cumulative Year	Accrued Liability
.....
11	\$429
12	481
13	535
14	592
15	652
16	714
17	780
18	849
19	922
20	1000
21 and thereafter	50 additional per year

The accrued liability of the special fund for each active or deferred member of the relief association shall be determined as the multiple or portion of the accrued liability amounts corresponding to the cumulative years of active service with the fire department to which the relief association is affiliated to the credit of the member as set forth in the applicable table that the lump sum service pension amount currently provided for in the articles of incorporation or the bylaws of the relief association bears to a lump sum service pension of \$50 per year of service. If a member has fractional service as of December 31, the figure for service credit to be used for the determination of accrued liability pursuant to this section shall be rounded up to the nearest full year of service credit. The total accrued liability of the special fund of the relief association as of December 31 shall be the sum of the accrued liability attributable to each active or deferred member of the relief association.

Subd. 2a. Determination of accrued liability for recipients of installment payments. Each firefighters' relief association which pays a lump sum service pension in installment payments to a retired firefighter pursuant to section 424A.02, subdivision 8, shall determine the accrued liability of the special fund of the firefighters' relief association relative to each retired member receiving a lump sum service pension in installment payments calculated individually as the sum of each future installment payment discounted at an interest rate of five percent, compounded annually, from the date the installment payment is scheduled to be paid to December 31. If the bylaws of the relief association provide for the payment of interest on unpaid installments, the amount of interest, projected to December 31, shall be added to the accrued liability attributable to each retired member. The sum of the accrued liability attributable to each retired member of the relief association receiving a lump sum service pension in installment payments shall be the total additional accrued liability of the special fund of the relief association as of December 31, and shall be added to the accrued liability of the special fund of the relief association calculated pursuant to subdivision 2 for purposes of calculating the financial requirements of the relief association and the minimum obligation of the municipality pursuant to subdivision 3.

To the extent that the commissioner of insurance deems it to be necessary or practical, the commissioner may specify and issue procedures, forms or mathematical tables for use in performing the calculations required pursuant to this subdivision.

Subd. 3. Financial requirements of the relief association; minimum obligation of the municipality. During the month of July, the officers of the relief association shall determine the overall funding balance of the special fund of the relief association for the current calendar year, the financial requirements of the special fund of the relief association for the following calendar year and the minimum obligation of the municipality with respect to the special fund of the

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relief association for the following calendar year in accordance with the requirements of this subdivision.

(1) The overall funding balance of the special fund of the relief association for the current calendar year shall be determined in the following manner:

(a) The total accrued liability of the special fund of the relief association for all active and deferred members of the relief association as of December 31 of the current year shall be calculated pursuant to subdivisions 2 and 2a, if applicable.

(b) The total present assets of the special fund of the relief association projected to December 31 of the current year, including receipts by and disbursements from the special fund anticipated to occur on or before December 31 shall be calculated.

(c) The amount of the total present assets of the special fund of the relief association calculated pursuant to clause (b) shall be subtracted from the amount of the total accrued liability of the special fund of the relief association calculated pursuant to clause (a). If the amount of total present assets exceeds the amount of the total accrued liability, then the special fund shall be considered to have a surplus over full funding. If the amount of the total present assets is less than the amount of the total accrued liability, then the special fund shall be considered to have a deficit from full funding. If the amount of total present assets is equal to the amount of the total accrued liability, then the special fund shall be considered to be fully funded.

(2) The financial requirements of the special fund of the relief association for the following calendar year shall be determined in the following manner:

(a) The total accrued liability of the special fund of the relief association for all active and deferred members of the relief association as of December 31 of the calendar year next following the current calendar year shall be calculated pursuant to subdivisions 2 and 2a, if applicable.

(b) The increase or decrease in the total accrued liability of the special fund of the relief association for the following calendar year over the total accrued liability of the special fund of the relief association for the current year shall be calculated.

(c) If the special fund of the relief association is fully funded, the financial requirement of the special fund for the following calendar year shall be either the positive or the negative figure which represents the increase or the decrease in the total accrued liability of the special fund respectively as calculated pursuant to subclause (b).

(d) If the special fund of the relief association has a deficit from full funding, the financial requirements of the special fund for the following calendar year shall be the financial requirements of the special fund calculated as though the special fund were fully funded pursuant to subclause (c) plus an amount equal to one-tenth of the amount of the deficit from full funding of the special fund as determined pursuant to this section for the calendar year 1971 until that deficit is fully retired, and plus an amount equal to one-tenth of the increase in the deficit from full funding of the special fund resulting from an increase in the amount of the service pension accruing subsequent to December 31, 1971 until each increase in the deficit is fully retired.

(e) If the special fund of the relief association has a surplus over full funding, the financial requirements of the special fund for the following calendar year shall be the financial requirements of the special fund calculated as though the special fund were fully funded pursuant to subclause (c) reduced by an amount equal to one-tenth of the amount of the surplus over full funding of the special fund.

(3) The minimum obligation of the municipality with respect to the special fund of the relief association shall be the financial requirements of the special fund of the relief association reduced by the amount of any fire state aid payable

pursuant to sections 69.011 to 69.051 anticipated to be received by the municipality for transmittal to the special fund of the relief association during the following calendar year, an amount of interest on the assets of the special fund projected to the end of the current calendar year calculated at the rate of five percent per annum, and the amount of any anticipated contributions to the special fund by the members of the relief association during the following calendar year.

Subd. 4. Certification of financial requirements and minimum municipal obligation; levy. The officers of the relief association shall certify the financial requirements of the special fund of the relief association and the minimum obligation of the municipality with respect to the special fund of the relief association as determined pursuant to subdivision 3 to the governing body of the municipality on or before August 1 of each year. The municipality shall provide for at least the minimum obligation of the municipality with respect to the special fund of the relief association by tax levy or from any other source of public revenue. The municipality may levy taxes for the payment of the minimum municipal obligation without any limitation as to rate or amount and irrespective of any limitations imposed by other provisions of law upon the rate or amount of taxation until the balance of the special fund or any fund of the relief association has attained a specified level. In addition, any taxes levied pursuant to this section shall not cause the amount or rate of any other taxes levied in that year or to be levied in a subsequent year by the municipality which are subject to a limitation as to rate or amount to be reduced. If the municipality does not include the full amount of the minimum municipal obligations in its levy for any year, the officers of the relief association shall certify that amount to the county auditor, who shall spread a levy in the amount of the minimum municipal obligation.

Subd. 5. Crediting of investment income; effect of excess interest. All investment income earned on the assets of the special fund of the relief association shall be credited to the special fund. Investment income earned or anticipated to be earned in a calendar year in excess of the assumed rate specified in subdivision 3, clause (3) shall not be included in the calculations of the financial requirements of the special fund of the relief association or the minimum obligation of the municipality with respect to the special fund of the relief association for that calendar year.

Subd. 6. Municipal ratification for plan amendments. If the special fund of the relief association does not have a surplus over full funding pursuant to subdivision 3, clause (2), subclause (e), or if the municipality is required to provide financial support to the special fund of the relief association pursuant to this section, the adoption of or any amendment to the articles of incorporation or bylaws of a relief association which increases or otherwise affects the retirement coverage provided by or the service pensions or retirement benefits payable from the special fund of any relief association to which this section applies shall not be effective until it is ratified by the governing body of the municipality in which the relief association is located and the officers of a relief association shall not seek municipal ratification prior to preparing and certifying an estimate of the expected increase in the accrued liability and annual accruing liability of the relief association attributable to the amendment. If the special fund of the relief association has a surplus over full funding pursuant to subdivision 3, clause (2), subclause (e), and if the municipality is not required to provide financial support to the special fund of the relief association pursuant to this section, the relief association may adopt or amend its articles of incorporation or bylaws which increase or otherwise affect the retirement coverage provided by or the service pensions or retirement benefits payable from the special fund of the relief association which shall be effective without municipal ratification so long as this does not cause the amount

of the resulting increase in the accrued liability of the special fund of the relief association to exceed 90 percent of the amount of the prior surplus over full funding and this does not result in the financial requirements of the special fund of the relief association exceeding the expected amount of the future fire state aid to be received by the relief association as determined by the board of trustees following the preparation of an estimate of the expected increase in the accrued liability and annual accruing liability of the relief association attributable to the change. If a relief association adopts or amends its articles of incorporation or bylaws without municipal ratification pursuant to this subdivision, and, subsequent to the amendment or adoption, the financial requirements of the special fund of the relief association pursuant to this section are such so as to require financial support from the municipality, the provision which was implemented without municipal ratification shall no longer be effective without municipal ratification and any service pensions or retirement benefits payable after that date shall be paid only in accordance with the articles of incorporation or bylaws as amended or adopted with municipal ratification.

History: 1971 c 261 s 2; 1973 c 772 s 3; 1977 c 171 s 2; 1977 c 429 s 63; 1978 c 562 s 1; 1979 c 201 s 2-8; 1981 c 224 s 27,28; 1982 c 421 s 1; 1982 c 465 s 1

69.773 RELIEF ASSOCIATIONS PAYING MONTHLY SERVICE PENSIONS.

Subdivision 1. Application. This section shall apply to any firefighter's relief association specified in section 69.771, subdivision 1, which pays or allows for an option of a monthly service pension to a retiring firefighter when at least the minimum requirements for entitlement to a service pension specified in section 424A.02, any applicable special legislation and the articles of incorporation or bylaws of the relief association have been met. Each firefighters' relief association to which this section applies shall determine the actuarial condition and funding costs of the special fund of the relief association in accordance with subdivisions 2 and 3, the financial requirements of the special fund of the relief association in accordance with subdivision 4 and the minimum obligation of the municipality with respect to the special fund of the relief association in accordance with subdivision 5.

Subd. 2. Determination of actuarial condition and funding costs. Each relief association to which this section applies shall procure an actuarial valuation showing the condition of the special fund of the relief association as of December 31, 1978 and at least as of December 31 every four years thereafter. The valuation shall be prepared in accordance with the provisions of section 356.216, except that the figure for normal cost shall be expressed as a level dollar amount, and the amortization contribution shall be the level dollar amount calculated to amortize any current unfunded accrued liability by at least the date of full funding specified in subdivision 4, clause (b). Each valuation shall be filed with the governing body of the municipality in which the relief association is located and with the commissioner of insurance, not later than June 1 of the year next following the date as of which the actuarial valuation is prepared. Any relief association which is operating under a special law which requires that actuarial valuations be procured at least every four years and be prepared in accordance with applicable actuarial standards set forth in statute may continue to have actuarial valuations made according to the time schedule set forth in the special legislation subject to the provisions of subdivision 3. The relief association shall also procure a quadrennial experience study pursuant to section 356.216 to accompany the actuarial valuation every four years. With the permission of the commissioner of insurance, a relief association may have their quadrennial experience study

prepared by a qualified actuary jointly with the experience studies of other relief associations and reported to the commissioner as part of a joint report by the qualified actuary not later than December 1 of the year next following the date as of which the actuarial valuation is prepared.

Subd. 3. Valuation requirement upon benefit change. The officers of the relief association shall not seek municipal ratification of any amendments to the articles of incorporation or bylaws which increase or otherwise affect the retirement coverage provided by or the service pensions or retirement benefits payable from any relief association pursuant to subdivision 6 prior to obtaining either an updated actuarial valuation including the proposed amendment or an estimate of the expected actuarial impact of the proposed amendment prepared by the actuary of the relief association.

Subd. 4. Financial requirements of the special fund. Prior to August 1 of each year, the officers of the relief association shall determine the financial requirements of the special fund of the relief association in accordance with the requirements of this subdivision. The financial requirements of the relief association shall be based on the most recent actuarial valuation prepared in accordance with sections 356.215, subdivision 4, and 356.216. If the relief association has an unfunded accrued liability as reported in the most recent actuarial valuation, the financial requirements shall be determined by adding the figures calculated pursuant to clauses (a) and (b). If the relief association does not have an unfunded accrued liability as reported in the most recent actuarial valuation, the financial requirements shall be an amount equal to the figure calculated pursuant to clause (a):

(a) The normal level cost requirement for the following year, expressed as a dollar amount, shall be the figure for the normal level cost of the relief association as reported in the actuarial valuation.

(b) The amortization contribution requirement to retire the current unfunded accrued liability by the established date for full funding shall be the figure for the amortization contribution as reported in the actuarial valuation. If there has not been a change in any or all of the actuarial assumptions used for calculating the accrued liability of the special fund, a change in the bylaws of the relief association governing the service pensions, retirement benefits or both payable from the special fund or a change in the actuarial cost method used to value all or a portion of the special fund which change or changes, which by themselves without inclusion of any other items of increase or decrease, produce a net increase in the unfunded accrued liability of the special fund since December 31, 1970, the established date for full funding shall be December 31, 1990. If there has been a change in the actuarial assumptions used for calculating the accrued liability of the special fund, a change in the bylaws of the relief association governing the service pensions, retirement benefits or both payable from the special fund or a change in the actuarial cost method used to value all or a portion of the special fund which change or changes, which by themselves without inclusion of any other items of increase or decrease, produce a net increase in the unfunded accrued liability of the special fund since December 31, 1970 but prior to January 1, 1979, the established date for full funding shall be December 31, 1998, and if there has been a change since December 31, 1978, the established date for full funding shall be determined using the following procedure:

(i) The unfunded accrued liability of the special fund shall be determined in accordance with the provisions governing service pensions, retirement benefits and actuarial assumptions in effect prior to an applicable change;

(ii) The level annual dollar contribution needed to amortize this unfunded accrued liability amount by the date for full funding in effect prior to the change shall be calculated using the interest assumption specified in section 356.215, subdivision 4, clause (4) in effect prior to any applicable change;

(iii) The unfunded accrued liability of the special fund shall be determined in accordance with any new provisions governing service pensions, retirement benefits and actuarial assumptions and the remaining provisions governing service pensions, retirement benefits and actuarial assumptions in effect prior to an applicable change;

(iv) The level annual dollar contribution needed to amortize the difference between the unfunded accrued liability amount calculated pursuant to subclause (i) and the unfunded accrued liability amount calculated pursuant to subclause (iii) over a period of 20 years from December 31 of the year in which the change is effective shall be calculated using the interest assumption specified in section 356.215, subdivision 4, clause (4) in effect subsequent to any applicable change;

(v) The annual amortization contribution calculated pursuant to subclause (iv) shall be added to the annual amortization contribution calculated pursuant to subclause (ii);

(vi) The period in which the unfunded accrued liability amount determined in subclause (iii) will be amortized by the total annual amortization contribution computed pursuant to subclause (v) shall be calculated using the interest assumption specified in section 356.215, subdivision 4, clause (4) in effect subsequent to any applicable change, rounded to the nearest integral number of years, but which shall not exceed a period of 20 years from the end of the year in which the determination of the date for full funding using this procedure is made and which shall not be less than the period of years beginning in the year in which the determination of the date for full funding using this procedure is made and ending by the date for full funding in effect prior to the change.

(vii) The period determined pursuant to subclause (vi) shall be added to the date as of which the actuarial valuation was prepared and the date obtained shall be the new date for full funding.

Subd. 5. Minimum municipal obligation. The officers of the relief association shall determine the minimum obligation of the municipality with respect to the special fund of the relief association for the following calendar year prior to August 1 of each year in accordance with the requirements of this subdivision. The minimum obligation of the municipality with respect to the special fund shall be an amount equal to the financial requirements of the special fund of the relief association determined pursuant to subdivision 4, reduced by the estimated amount of any fire state aid payable pursuant to sections 69.011 to 69.051 anticipated to be received by the municipality for transmittal to the special fund of the relief association during the following year and the amount of any anticipated contributions to the special fund by the members of the relief association during the following calendar year. The officers of the relief association shall certify the financial requirements of the special fund of the relief association and the minimum obligation of the municipality with respect to the special fund of the relief association as determined pursuant to subdivision 4 and this subdivision to the governing body of the municipality by August 1 of each year. The municipality shall provide for at least the minimum obligation of the municipality with respect to the special fund of the relief association by tax levy or from any other source of public revenue. The municipality may levy taxes for the payment of the minimum municipal obligation without any limitation as to rate or amount and irrespective of any limitations imposed by other provisions of law or charter upon the rate or amount of taxation until the balance of the special fund or any fund of the relief association has attained a specified level. In addition, any taxes levied pursuant to this section shall not cause the amount or rate of any other taxes levied in that year or to be levied in a subsequent year by the municipality which are subject to a limitation as to rate or amount to be reduced. If the municipality does not include the full amount of the minimum municipal obligation in its levy

for any year, the officers of the relief association shall certify that amount to the county auditor, who shall spread a levy in the amount of the minimum municipal obligation.

Subd. 6. Municipal ratification for plan amendments. If the special fund of the relief association does not have a surplus over full funding pursuant to subdivision 4, or if the municipality is required to provide financial support to the special fund of the relief association pursuant to this section, the adoption of or any amendment to the articles of incorporation or bylaws of a relief association which increases or otherwise affects the retirement coverage provided by or the service pensions or retirement benefits payable from the special fund of any relief association to which this section applies shall not be effective until it is ratified by the governing body of the municipality in which the relief association is located. If the special fund of the relief association has a surplus over full funding pursuant to subdivision 4, and if the municipality is not required to provide financial support to the special fund of the relief association pursuant to this section, the relief association may adopt or amend its articles of incorporation or bylaws which increase or otherwise affect the retirement coverage provided by or the service pensions or retirement benefits payable from the special fund of the relief association which shall be effective without municipal ratification so long as this does not cause the amount of the resulting increase in the accrued liability of the special fund of the relief association to exceed 90 percent of the amount of the prior surplus over full funding and this does not result in the financial requirements of the special fund of the relief association exceeding the expected amount of the future fire state aid to be received by the relief association as determined by the board of trustees following the preparation of an updated actuarial valuation including the proposed change or an estimate of the expected actuarial impact of the proposed change prepared by the actuary of the relief association. If a relief association adopts or amends its articles of incorporation or bylaws without municipal ratification pursuant to this subdivision, and, subsequent to the amendment or adoption, the financial requirements of the special fund of the relief association pursuant to this section are such so as to require financial support from the municipality, the provision which was implemented without municipal ratification shall no longer be effective without municipal ratification and any service pensions or retirement benefits payable after that date shall be paid only in accordance with the articles of incorporation or bylaws as amended or adopted with municipal ratification.

History: 1971 c 261 s 3; 1977 c 429 s 63; 1978 c 563 s 4; 1979 c 201 s 9; 1981 c 224 s 29; 1982 c 421 s 2

69.774 NONPROFIT FIREFIGHTING CORPORATIONS.

Subdivision 1. Authorized inclusion in fire state aid program; covered nonprofit corporations. This section shall apply to any independent nonprofit firefighting corporation incorporated or organized pursuant to chapter 317 which operates exclusively for firefighting purposes, which is composed of volunteer firefighters, which has a duly established separate subsidiary incorporated firefighters' relief association which provides retirement coverage for or pays a service pension to a retired firefighter or a retirement benefit to a surviving dependent of either an active or a retired firefighter, and which operates subject to the service pension minimum requirements for entitlement to and maximums for a service pension contained in section 424A.02, or a special law modifying those requirements or maximums. Notwithstanding any law to the contrary, a municipality contracting with an independent nonprofit firefighting corporation shall be included in the distribution of fire state aid to the appropriate county auditor by the commissioner of insurance only if the independent nonprofit firefighting corporation complies with the provisions of this section.

Subd. 2. **Determination of actuarial condition and funding costs.** Each independent nonprofit firefighting corporation to which this section applies shall determine the actuarial condition and the funding costs of the subsidiary relief association using the following procedure:

(a) An independent nonprofit firefighting corporation which has a subsidiary relief association which pays a monthly benefit service pension shall procure an actuarial valuation of the special fund of the subsidiary relief association at the same times and in the same manner as specified in section 69.773, subdivisions 2 and 3, and an independent nonprofit firefighting corporation which has a subsidiary relief association which pays a lump sum service pension shall determine the accrued liability of the special fund of the relief association in accordance with section 69.772, subdivision 2.

(b) The financial requirements of the special fund of the subsidiary relief association which pays a monthly benefit service pension shall be determined in the same manner as specified in section 69.773, subdivision 4, and the financial requirements of the special fund of the subsidiary relief association shall be determined in the same manner as specified in section 69.772, subdivision 3.

(c) The minimum obligation of the independent nonprofit firefighting corporation on behalf of the special fund of the subsidiary relief association shall be determined in the same manner as specified in section 69.773, subdivision 5.

(d) The independent nonprofit firefighting corporation shall appropriate annually from the income of the corporation an amount at least equal to the minimum obligation of the independent nonprofit firefighting corporation on behalf of the special fund of the subsidiary relief association.

Subd. 3. **Authorized pension disbursements.** Authorized disbursements of assets of the special fund of the subsidiary relief association of the nonprofit firefighting corporation shall be governed by the provisions of section 424A.05.

History: 1971 c 261 s 4; 1977 c 429 s 63; 1979 c 201 s 10

69.775 INVESTMENTS.

The special fund assets of the relief associations governed by sections 69.771 to 69.776 shall be invested in securities which are proper investments pursuant to section 11A.24, except that up to five percent of the special fund assets, or a minimum of \$10,000, may be invested in the stock of any one corporation. Securities held by the associations before January 1, 1972, which do not meet the requirements of this section may be retained after that date if they were proper investments for the association on May 14, 1971. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board under the provisions of section 11A.17, provided that there be no limit to the amount which may be invested in the income share account, in the bond account, or in the fixed-return account, and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental investment fund may be invested in the growth share account.

History: 1971 c 261 s 5; 1973 c 129 s 7; 1974 c 152 s 11; 1980 c 607 art 14 s 28; s 45 subd 1; 1981 c 208 s 8

69.776 CITATION; APPLICATION OF OTHER LAWS.

Subdivision 1. Sections 69.771 to 69.776 may be cited as "The Volunteer Firefighter's Relief Association Guidelines Act of 1971".

Subd. 2. Notwithstanding any other law to the contrary, no relief association described in sections 69.771 to 69.776, authorized under any present or future legislative act, shall be exempt from sections 69.771 to 69.776 unless such relief

association is exempted by specific legislative reference to the Volunteer Firefighter's Relief Association Guidelines Act of 1971.

History: 1971 c 261 s 6; 1977 c 429 s 63

69.78 APPLICATION OF OTHER LAWS TO CONTRIBUTION RATE.

In the absence of specific provision to the contrary, no general or special law heretofore or hereafter enacted shall be construed as reducing the amount or rate of contribution to a police or firefighters' relief association to which section 69.77, subdivision 1a, applies, by a municipality or member of the association, which is required by the Police and Firefighters' Relief Associations Guidelines Act of 1969 as a condition for the use of public funds or the levy of taxes for the support of the association. Each such association, the municipality in which it is organized, and the officers of each, are authorized to do all things required by the Guidelines Act as a condition for the use of public funds or the levy of taxes for the support of the association.

History: 1969 c 687 s 1; 1977 c 429 s 63; 1978 c 563 s 5

69.79 [Repealed, 1975 c 405 s 2]

69.80 AUTHORIZED ADMINISTRATIVE EXPENSES.

Notwithstanding any provision of law to the contrary, the payment of the following necessary, reasonable and direct expenses of maintaining, protecting and administering the special fund, when provided for in the bylaws of the association and approved by the board of trustees, shall constitute authorized administrative expenses of a police, salaried firefighters or volunteer firefighters relief association organized under any law of this state:

(a) Office expense including but not limited to rent, utilities, equipment, supplies, postage, periodical subscriptions, furniture, fixtures and salaries of administrative personnel;

(b) Salaries and itemized expenses of the president, secretary and treasurer of the association, or their designees, incurred as a result of fulfilling their responsibilities as administrators of the special fund;

(c) Tuition, registration fees, organizational dues and other authorized expenses of the officers or members of the board of trustees incurred in attending educational conferences, seminars or classes relating to the administration of the relief association;

(d) Audit, actuarial, medical, legal and investment expenses;

(e) Reimbursement to the officers and members of the board of trustees, or their designees, for reasonable and necessary expenses actually paid and incurred in the performance of their duties as officers or members of the board; and

(f) Premiums on fiduciary liability insurance and official bonds for the officers, members of the board of trustees and employees of the relief association.

Any other expenses of the relief association shall be paid from the general fund of the association, if one exists. If a relief association has only one fund, that fund shall be deemed to be the special fund for purposes of this section. If a relief association has a special fund and a general fund, and any expense of the relief association is directly related to the purposes for which both funds were established, the payment of that expense shall be apportioned between the two funds on the basis of the benefits derived by each fund.

History: 1978 c 690 s 8