

## CHAPTER 69

## FIRE AND POLICE DEPARTMENT AID; RELIEF ASSOCIATIONS

69.011 Qualifying for state aid.  
 69.021 Reporting premiums; calculation of aid.

69.54 Surcharge on premiums to restore deficiency in special fund.

**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, 423A, 424 and 424A have the meanings ascribed to them:

- (a) "Commissioner" means the commissioner of revenue.
- (b) "Municipality" means any home rule charter or statutory city, organized town or park district subject to chapter 398, and the University of Minnesota.
- (c) "Minnesota Firetown Premium Report" means a form prescribed by the commissioner containing space for reporting by insurers of fire, lightning, sprinkler leakage and extended coverage premiums received upon risks located or to be performed in this state less return premiums and dividends.
- (d) "Firetown" means the area serviced by any municipality having a qualified fire department or a qualified incorporated fire department having a subsidiary volunteer firefighters' relief association.
- (e) "Market value" means latest available market 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 insurance coverages as reported in the Minnesota business schedule of the annual financial statement which each insurer is required to file with the commissioner in accordance with the governing laws or rules 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 under 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 under section 424A.05, subdivision 3, clauses (2), (3) and (4).

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

*[For text of subd 2, see M.S.1990]*

**Subd. 3. Failure to file certificate deemed waiver.** If a certification required by this section is not filed with the commissioner by the due date prescribed by this section, the commissioner shall notify the municipality or the nonprofit fire fighting corporation that a portion or all of its current year aid will be forfeited if the certification is not received within ten days. The amount of aid forfeited is equal to the amount of state police aid or state fire aid determined for the municipality or fire fighting corporation for the current year, multiplied by five percent for each week or fraction of a week that this certification is late. The penalty will be computed beginning ten days after the postmark date of the commissioner's notification as required under this subdivision. All forfeited aid amounts revert to the general fund in the state treasury. Failure to receive the certificate form cannot be used as a defense for not filing.

*[For text of subds 4 and 5, see M.S.1990]*

**History:** 1991 c 291 art 13 s 1,2

## **69.021 REPORTING PREMIUMS; CALCULATION OF AID.**

*[For text of subd 1, see M.S.1990]*

**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, sprinkler leakage, and extended coverage 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 multiperil 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, 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), except that domestic mutual insurance companies must not file a report.

*[For text of subd 3, see M.S.1990]*

**Subd. 4. Determination of qualified state aid recipients; certification to commissioner of revenue.** 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 state peace officer aid. The commissioner shall determine qualification upon receipt of (1) the fire department personnel and equipment certification or the police department and qualified peace officers certificate, whichever is applicable, required under section 69.011, (2) the financial

compliance report required under section 6.495, and (3) any other relevant information which comes to the attention of the commissioner. Upon completion of the determination, on or before September 1, the commissioner shall calculate under subdivision 6 the amount of (a) state peace officer aid which each county or municipality is to receive and (b) fire state aid which each municipality or nonprofit firefighting corporation is to receive. The commissioner shall certify to the commissioner of finance the name of each county or municipality, and the amount of state aid which each county or municipality is to receive, in the case of state peace officer aid; and the name of each municipality or independent nonprofit firefighting corporation and the amount of state aid which each municipality or independent nonprofit firefighting corporation is to receive, in the case of fire 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. This amount shall be reduced by the amount required to pay the state auditor's costs and expenses of the audits or exams of the firefighters relief associations. 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 after subtracting the amount required to pay the state auditor's costs and expenses of the audits or exams of the police relief associations. The total amount for apportionment in respect to firefighters 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 after subtracting the amount required to pay the state auditor's costs and expenses of the audits or exams of the firefighters relief associations. The amount for apportionment in respect to police state aid shall be distributed to the 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 state peace officers aid to counties.** 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 relief associations.** (1) The commissioner shall apportion the state aid relative to the premiums reported on the Minnesota Firetown Premium Reports filed under this chapter to each municipality and/or firefighters' relief association, one-half in proportion to the population as shown in the last official statewide federal census for each fire town and one-half in proportion to the market value of each fire town, including the market value of tax exempt property, but excluding the market value of minerals. In the case of incorporated or municipal fire departments furnishing fire protection to other cities, towns, or townships as evidenced by valid fire service contracts filed with the commissioner, the distribution shall be adjusted proportionately to take into consideration the crossover fire protection service. Necessary adjustments shall be made to subsequent apportionments.

In the case of municipalities or independent fire departments qualifying for the aid, the commissioner shall calculate the state aid for the municipality or relief association on the basis of the population and the market value of the area furnished fire protection service by the fire department as evidenced by duly executed and valid fire service agreements filed with the commissioner. If one or more fire departments are furnishing contracted fire service to a city, town, or township, only the population and market

value 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 market value of each service area. The agreement shall be in writing and filed with the commissioner.

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 commissioner may make rules to permit the administration of the provisions of this section.

(2) The commissioner shall apportion the state peace officer aid 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 in proportion to the total number of peace officers, as determined under 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 state peace officer aid shall be apportioned less state peace officer 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 state peace officer 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 state peace officer aid apportioned shall not exceed the amount of state peace officer aid available for apportionment.

**Subd. 8. Population and market value.** 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 market value figures, only the latest available market value 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 commissioner to review and adjust the apportionment of funds within the county in the case of state peace officer aid, and within the state in the case of fire state aid, and the decision of the commissioner shall be subject to appeal, review, and adjustment by the district court in the county in which the fire or police department is located.

**History:** 1991 c 291 art 13 s 3-9

## **69.54 SURCHARGE ON PREMIUMS TO RESTORE DEFICIENCY IN SPECIAL FUND.**

**Subdivision 1. Surcharge.** 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 licensed 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 on March 31, May 31, and October 31 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.

Subd. 2. **Enforcement.** The commissioner, or duly authorized agents, may conduct investigations, inquiries, and hearings to enforce the surcharge imposed by subdivision 1 and, in connection with those investigations, inquiries, and hearings, the commissioner and duly authorized agents have the powers conferred upon the commissioner and examiners by section 270.06.

**History:** 1991 c 291 art 9 s 3