

## CHAPTER 477B

### FIRE STATE AID

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#### 477B.01 DEFINITIONS.

Subdivision 1. **Scope.** Unless the language or context clearly indicates that a different meaning is intended, the following words and terms, for the purposes of this chapter and chapters 423A and 424A, have the meanings given to them. The following definitions shall also apply for the purpose of chapter 424A, unless the word or term is defined in chapter 424A, in which case such word or term shall be as defined in chapter 424A for the purpose of chapter 424A.

Subd. 1a. **Apportionment agreement.** "Apportionment agreement" means an agreement between two or more fire departments that provide contracted fire protection service to the same municipality and establishes the percentage of the population and the percentage of the estimated market value within the municipality serviced by each fire department.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of revenue.

Subd. 3. **Company or insurance company.** "Company" or "insurance company" has the meaning given in section 60A.02, subdivision 4.

Subd. 4. **Estimated market value.** "Estimated market value" has the meaning given in section 272.03, subdivision 14.

Subd. 5. **Fire department.** (a) "Fire department" means:

- (1) a municipal fire department;
- (2) an independent nonprofit firefighting corporation;
- (3) a fire department established as or operated by a joint powers entity; or
- (4) a fire protection special taxing district established under chapter 144F or special law.

(b) This subdivision only applies to this chapter.

Subd. 6. **Fire department service area.** "Fire department service area" means the area serviced by a qualifying fire department that meets the requirements of section 477B.02.

Subd. 7. **Independent nonprofit firefighting corporation.** "Independent nonprofit firefighting corporation" means an independent nonprofit firefighting corporation that meets the criteria in section 424A.094, subdivision 1, paragraph (a).

Subd. 7a. **Joint powers entity.** "Joint powers entity" means a joint powers entity created under section 471.59.

Subd. 8. **Minnesota Fire Premium Report.** "Minnesota Fire Premium Report" means a form for reporting by insurance companies of (1) gross direct fire, lightning, sprinkler leakage, and extended coverage premiums received upon risks located or to be performed in this state less return premiums and dividends, and (2) other facts that the commissioner may require.

Subd. 9. **Municipal clerk.** "Municipal clerk" means the person elected or appointed to the position of municipal clerk or, if there is no such person, the chief financial official, the chief administrative official, or the person primarily responsible for managing the finances of a municipality.

Subd. 10. **Municipality.** (a) "Municipality" means:

- (1) a home rule charter or statutory city;
- (2) an organized town;
- (3) a joint powers entity;
- (4) a fire protection special taxing district; or

(5) an American Indian tribal government entity located within a federally recognized American Indian reservation.

(b) This subdivision only applies to this chapter.

Subd. 11. **Secretary.** (a) "Secretary" means:

(1) the secretary of an independent nonprofit firefighting corporation that has a subsidiary incorporated firefighters' relief association or whose firefighters participate in the statewide volunteer firefighter plan; or

(2) the secretary of a joint powers entity or fire protection special taxing district or, if there is no such person, the person primarily responsible for managing the finances of a joint powers entity or fire protection special taxing district.

(b) This subdivision only applies to this chapter.

Subd. 12. **Statewide volunteer firefighter plan.** "Statewide volunteer firefighter plan" means the retirement plan established under chapter 353G.

**History:** *1Sp2019 c 6 art 19 s 1; 2020 c 108 art 7 s 9; 2021 c 22 art 10 s 34; 2023 c 64 art 17 s 2-6*

#### **477B.02 QUALIFYING FOR FIRE STATE AID.**

Subdivision 1. **Qualifications for fire state aid.** A municipality or independent nonprofit firefighting corporation qualifies to receive fire state aid if all the requirements of this section are met.

Subd. 2. **Establishment of fire department.** (a) An independent nonprofit firefighting corporation must be created under the nonprofit corporation act of this state operating for the exclusive purpose of firefighting, or the governing body of a municipality must officially establish a fire department.

(b) The fire department must have provided firefighting services for at least one calendar year, and must have a current fire department identification number issued by the state fire marshal.

Subd. 3. **Benefits requirements.** (a) The fire department must have a separate subsidiary incorporated firefighters' relief association that provides retirement benefits or must participate in the statewide volunteer firefighter plan; or if the municipality solely employs full-time firefighters as defined in section 299N.03,

subdivision 5, retirement coverage must be provided by the public employees police and fire retirement plan. For purposes of retirement benefits, a fire department may be associated with only one volunteer firefighters' relief association or one account in the voluntary statewide volunteer firefighter retirement plan at one time.

(b) Notwithstanding paragraph (a), a municipality without a relief association as described under section 424A.08, paragraph (a), may still qualify to receive fire state aid if all other requirements of this section are met.

Subd. 4. MS 2022 [Repealed, 2023 c 64 art 17 s 25]

Subd. 4a. **Public safety answering point requirement.** The fire department must be dispatched by a public safety answering point as defined in section 403.02, subdivision 19.

Subd. 5. **Fire service contract or agreement; apportionment agreement filing requirements.** (a) Every municipality or independent nonprofit firefighting corporation must file with the commissioner (1) a copy of any duly executed and valid fire service contracts, (2) written notification of any fire service contract terminations, and (3) written notification of any dissolution of a fire department, within 60 days of contract execution or termination, or department dissolution.

(b) If more than one fire department provides service to a municipality, the fire departments furnishing service must file an apportionment agreement with the commissioner.

(c) When a municipality is a joint powers entity, it must file its joint powers agreement with the commissioner. If the joint powers agreement does not include sufficient information defining the fire department service area of the joint powers entity for the purposes of calculating fire state aid, the secretary must file a written statement with the commissioner defining the fire department service area.

(d) When a municipality is a fire protection special taxing district, it must file its resolution establishing the fire protection special taxing district, and any agreements required for the establishment of the fire protection special taxing district, with the commissioner. If the resolution or agreement does not include sufficient information defining the fire department service area of the fire protection special taxing district, the secretary must file a written statement with the commissioner defining the fire department service area.

(e) The commissioner shall prescribe the content, format, and manner of the notifications, apportionment agreements, and written statements under paragraphs (a) to (d), pursuant to section 270C.30, except that copies of fire service contracts, joint powers agreements, and resolutions establishing fire protection special taxing districts shall be filed in their existing form.

(f) A document filed with the commissioner under this subdivision must be refiled any time it is updated within 60 days of the update. An apportionment agreement must be refiled only when a change in the averaged sum of the percentage of population and percentage of estimated market value serviced by a fire department subject to the apportionment agreement is at least one percent. The percentage amount must be rounded to the nearest whole percentage.

(g) Upon the request of the commissioner, the county auditor must provide information that the commissioner requires to accurately apportion the estimated market value of a fire department service area for a fire department providing service to an unorganized territory located in the county.

Subd. 6. **Compliance with rules.** The fire department must meet all other requirements that the commissioner establishes by rule.

Subd. 7. **Financial reporting requirements.** The financial reporting requirements of section 424A.014 must be satisfied.

Subd. 8. **PERA certification to commissioner.** On or before February 1 each year, the executive director of the Public Employees Retirement Association must certify to the commissioner the fire departments that transferred retirement coverage to, or terminated participation in, the voluntary statewide volunteer firefighter retirement plan since the previous certification under this paragraph. This certification must include the number of active volunteer firefighters under section 477B.03, subdivision 5, paragraph (e).

Subd. 9. **Fire department certification to commissioner.** On or before March 15 of each year, the municipal clerk or the secretary must certify to the commissioner the fire department service area as of December 31 of the previous year, and that the fire department meets the qualification requirements of this section. The municipal clerk or the secretary must provide the commissioner with documentation that the commissioner deems necessary for determining eligibility for fire state aid or for calculating and apportioning fire state aid under section 477B.03. The certification must be on a form prescribed by the commissioner and must include all other information that the commissioner requires. The municipal clerk or the secretary must send a copy of the certification filed under this subdivision to the fire chief within five business days of the date the certification was filed with the commissioner.

Subd. 10. **Penalty for failure to file or correct certification.** (a) If the certification under subdivision 9 is not filed with the commissioner on or before March 1, the commissioner must notify the municipal clerk or the secretary that a penalty will be deducted from fire state aid certified for the current year if the certification is not filed on or before March 15.

(b) If the commissioner rejects the certification by the municipal clerk or secretary under subdivision 9 for inaccurate or incomplete information, the municipal clerk or the secretary must file a corrective certification after taking corrective action as identified by the commissioner in the notice of rejection. The corrective certification must be filed within 30 days of the date on the notice of rejection or by March 15, whichever date is later.

(c) A penalty applies to (1) a certification under subdivision 9 filed after March 15, and (2) a corrective certification under paragraph (b) filed after March 15 that is also filed more than 30 days after the date on the notice of rejection. The penalty is equal to the amount of fire state aid determined for the municipality or the independent nonprofit firefighting corporation for the current year, multiplied by ten percent for each week or fraction of a week that the certification or corrective certification is filed after March 15 or more than 30 days after the date on the notice of rejection. Aid amounts forfeited as a result of the penalty revert to the state general fund. Failure to receive the certification form is not a defense for a failure to file.

Subd. 11. **Determination by commissioner.** The commissioner must determine which municipalities and independent nonprofit firefighting corporations are qualified to receive fire state aid directly or are qualified to receive the benefit of fire state aid paid to the statewide volunteer firefighter plan based on compliance with the requirements of this section and the financial compliance report required under section 6.495, subdivision 3, if applicable. The commissioner may take into account any other relevant information that comes to the attention of the commissioner when making the determination.

**History:** *1Sp2019 c 6 art 19 s 2; 2020 c 108 art 7 s 9; 2023 c 64 art 17 s 7-13*

**477B.03 CALCULATION OF FIRE STATE AID; APPEAL.**

Subdivision 1. **Certification and calculation of fire state aid.** (a) On or before October 1, the commissioner must calculate the amount of fire state aid that each municipality or independent nonprofit firefighting corporation is to receive.

(b) The commissioner must calculate an initial fire state aid allocation amount for each municipality or independent nonprofit firefighting corporation under subdivision 4 and, if applicable, a minimum fire state aid allocation amount for each municipality or independent nonprofit firefighting corporation under subdivision 5. The municipality or independent nonprofit firefighting corporation must be apportioned the greater of the amounts calculated under subdivisions 4 and 5.

Subd. 2. **Apportionment of fire state aid.** (a) The amount of fire state aid available for apportionment, before the addition of the minimum fire state aid allocation amount under subdivision 5, is equal to 107 percent of the amount of premium taxes paid to the state upon the fire, lightning, sprinkler leakage, and extended coverage premiums reported to the commissioner by companies or insurance companies on the Minnesota Fire Premium Report, except that credits claimed under section 297I.20, subdivisions 3, 4, 5, and 6, do not affect the calculation of the amount of fire state aid available for apportionment. This amount must 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.

(b) The total amount available for apportionment must not be less than two percent of the premiums less return premiums reported to the commissioner by companies or insurance companies on the Minnesota Fire Premium Report after subtracting the following amounts:

(1) the amount required to pay the state auditor's costs and expenses of the audits or exams of the firefighters' relief associations; and

(2) one percent of the premiums reported by township mutual insurance companies and mutual property and casualty companies with total assets of \$5,000,000 or less.

(c) The commissioner must apportion the fire state aid to each municipality or independent nonprofit firefighting corporation qualified under section 477B.02 relative to the premiums reported on the Minnesota Fire Premium Reports filed under this chapter.

(d) The commissioner must 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. 3. **Population and estimated market value.** (a) The most recent population estimates made by the state demographer pursuant to section 4A.02, paragraph (d), must be used in calculations requiring the use of population figures under this chapter.

(b) The estimated market value property figures for the assessment year immediately preceding the year the aid is distributed must be used in calculations requiring the use of estimated market value property figures under this chapter.

Subd. 4. **Initial fire state aid allocation amount.** (a) The initial fire state aid allocation amount is the amount available for apportionment as fire state aid under subdivision 2, without the inclusion of any additional funding amount to support a minimum fire state aid amount under section 423A.02, subdivision 3. The initial fire state aid allocation amount is allocated one-half in proportion to the population for each fire department service area and one-half in proportion to the estimated market value of each fire department service area, including (1) the estimated market value of tax-exempt property, and (2) the estimated market

value of natural resources lands receiving in lieu payments under sections 477A.11 to 477A.14 and 477A.17. The estimated market value of minerals is excluded.

(b) In the case of a municipality or independent nonprofit firefighting corporation furnishing fire protection to other municipalities as evidenced by valid fire service contracts, joint powers agreements, resolutions, and other supporting documents filed with the commissioner under section 477B.02, subdivision 5, the distribution must be adjusted proportionately to take into consideration the crossover fire protection service. Necessary adjustments must be made to subsequent apportionments.

(c) In the case of municipalities or independent nonprofit firefighting corporations qualifying for aid, the commissioner must calculate the state aid for the municipality or independent nonprofit firefighting corporation on the basis of the population and the estimated market value of the area furnished fire protection service by the fire department as evidenced by valid fire service contracts, joint powers agreements, resolutions, and other supporting documents filed with the commissioner under section 477B.02, subdivision 5.

(d) In the case of more than one fire department furnishing contracted fire service to a municipality, the population and estimated market value in the apportionment agreement filed with the commissioner under section 477B.02, subdivision 5, must be used in calculating the state aid.

**Subd. 5. Minimum fire state aid allocation amount.** (a) The minimum fire state aid allocation amount is the amount derived from any additional funding amount to support a minimum fire state aid amount under section 423A.02, subdivision 3. The minimum fire state aid allocation amount is allocated to municipalities or independent nonprofit firefighting corporations with volunteer firefighters' relief associations or covered by the statewide volunteer firefighter plan. The amount is based on the number of active volunteer firefighters who are (1) members of the relief association as reported to the Office of the State Auditor in a specific annual financial reporting year as specified in paragraphs (b) to (d), or (2) covered by the statewide volunteer firefighter plan as specified in paragraph (e).

(b) For relief associations established in calendar year 1993 or a prior year, the number of active volunteer firefighters equals the number of active volunteer firefighters who were members of the relief association as reported in the annual financial reporting for calendar year 1993, but not to exceed 30 active volunteer firefighters.

(c) For relief associations established in calendar year 1994 through calendar year 1999, the number of active volunteer firefighters equals the number of active volunteer firefighters who were members of the relief association as reported in the annual financial reporting for calendar year 1998 to the Office of the State Auditor, but not to exceed 30 active volunteer firefighters.

(d) For relief associations established after calendar year 1999, the number of active volunteer firefighters equals the number of active volunteer firefighters who are members of the relief association as reported in the first annual financial reporting submitted to the Office of the State Auditor, but not to exceed 20 active volunteer firefighters.

(e) For a municipality or independent nonprofit firefighting corporation that is providing retirement coverage for volunteer firefighters by the statewide volunteer firefighter plan under chapter 353G, the number of active volunteer firefighters equals the number of active volunteer firefighters of the municipality or independent nonprofit firefighting corporation covered by the statewide plan as certified by the executive director of the Public Employees Retirement Association to the commissioner and the state auditor within 30 days of the date the municipality or independent nonprofit firefighting corporation begins coverage in the plan, but not to exceed 30 active firefighters.

Subd. 6. MS 2022 [Repealed, 2023 c 64 art 17 s 25]

Subd. 7. **Appeal.** A municipality, an independent nonprofit firefighting corporation, a fire relief association, or the statewide volunteer firefighter plan may object to the amount of fire state aid apportioned to it by filing a written request with the commissioner to review and adjust the apportionment of funds within the state. The objection of a municipality, an independent nonprofit firefighting corporation, a fire relief association, or the voluntary statewide volunteer firefighter retirement plan must be filed with the commissioner within 60 days of the date the amount of apportioned fire state aid is paid. The decision of the commissioner is subject to appeal, review, and adjustment by the district court in the county in which the applicable municipality or independent nonprofit firefighting corporation is located or by the Ramsey County District Court with respect to the statewide volunteer firefighter plan.

**History:** *1Sp2019 c 6 art 19 s 3; 2020 c 108 art 7 s 9; 2023 c 64 art 17 s 14-18*

#### **477B.04 APPROPRIATION, PAYMENT, AND ADMINISTRATION.**

Subdivision 1. **Payments.** (a) The commissioner must make payments to the Public Employees Retirement Association for deposit in the statewide volunteer firefighter fund on behalf of a municipality or independent nonprofit firefighting corporation that is a member of the statewide volunteer firefighter plan under chapter 353G. The commissioner must directly pay all other municipalities qualifying for fire state aid, except as provided in paragraph (d). The payment is equal to the amount of fire state aid apportioned to the applicable fire state aid recipient under section 477B.03.

(b) Fire state aid is payable on October 1 annually. The amount of state aid due and not paid by October 1 accrues interest payable to the recipient at the rate of one percent for each month or part of a month that the amount remains unpaid after October 1.

(c) If the commissioner of revenue does not receive a financial compliance report described in section 6.495, subdivision 3, for a relief association, the amount of fire state aid apportioned to a municipality or independent nonprofit firefighting corporation under section 477B.03 for that relief association must be withheld from payment to the Public Employees Retirement Association or the municipality. The commissioner of revenue must issue a withheld payment within ten business days of receipt of a financial compliance report under section 6.495, subdivision 3. The interest under paragraph (b) does not apply to a payment withheld under this paragraph.

(d) The commissioner must make payments directly to the largest municipality in population located within any area included in a joint powers entity that does not have a designated agency under section 471.59, subdivision 3, or within the fire department service area of an eligible independent nonprofit firefighting corporation. If there is no city or town within the fire department service area of an eligible independent nonprofit firefighting corporation, fire state aid must be paid to the county where the independent nonprofit firefighting corporation is located.

Subd. 2. **Appropriation.** The amount necessary to make the payments under this section and section 477B.03 is annually appropriated to the commissioner from the general fund.

Subd. 3. **Deposit of state aid.** (a) This paragraph applies if the municipality or the independent nonprofit firefighting corporation is covered by the statewide volunteer firefighter plan. If this paragraph applies and the executive director of the Public Employees Retirement Association has not approved an aid allocation plan under section 477B.041, the executive director must credit the fire state aid against future municipal contribution requirements under section 353G.08 and must notify the municipality or the independent nonprofit firefighting corporation of the fire state aid so credited at least annually. If this paragraph applies

and the executive director has approved an aid allocation plan under section 477B.041, the executive director must allocate fire state aid in the manner described under section 477B.041.

(b) If (1) the municipality or the independent nonprofit firefighting corporation is not covered by the statewide volunteer firefighter plan and is affiliated with a duly incorporated firefighters relief association, (2) the relief association has filed a financial report with the municipality pursuant to section 424A.014, subdivision 1 or 2, whichever applies, and (3) there is not an aid allocation agreement under section 477B.042 in effect, then the treasurer of the municipality must, within 30 days after receipt, transmit the fire state aid to the treasurer of the relief association. If clauses (1) and (2) are satisfied and there is an aid allocation agreement under section 477B.042 in effect, then fire state aid must be transmitted as described in that section. If the relief association has not filed a financial report with the municipality, then, regardless of whether an aid allocation agreement is in effect, the treasurer of the municipality must delay transmission of the fire state aid to the relief association until the complete financial report is filed.

(c) The treasurer of the municipality must deposit the fire state aid money in the municipal treasury if (1) the municipality or independent nonprofit firefighting corporation is not covered by the statewide volunteer firefighter plan, (2) there is no relief association organized, (3) the association has dissolved, or (4) the association has been removed as trustees of state aid. The money may be disbursed from the municipal treasury only for the purposes and in the manner set forth in section 424A.08 or for the payment of the employer contribution requirement with respect to firefighters covered by the public employees police and fire retirement plan under section 353.65, subdivision 3.

**Subd. 4. Aid amount corrections.** (a) An adjustment needed to correct a fire state aid overpayment or underpayment due to a clerical error must be made to subsequent fire state aid payments as provided in paragraphs (b) and (c). The authority to correct an aid payment under this subdivision is limited to three years after the payment was issued.

(b) If an overpayment equals more than ten percent of the most recently paid aid amount, the commissioner must reduce the aid a municipality or independent nonprofit firefighting corporation is to receive by the amount overpaid over a period of no more than three years. If an overpayment equals or is less than ten percent of the most recently paid aid amount, the commissioner must reduce the next aid payment occurring in 30 days or more by the amount overpaid.

(c) In the event of an underpayment, the commissioner must distribute the amount of underpaid funds to the municipality or independent nonprofit firefighting corporation over a period of no more than three years. An additional distribution to a municipality or independent nonprofit firefighting corporation must be paid from the general fund and must not diminish the payments made to other municipalities or independent nonprofit firefighting corporations under this chapter.

**History:** *1Sp2019 c 6 art 19 s 4; 2020 c 108 art 7 s 9; art 11 s 1; 2021 c 22 art 4 s 1; 2023 c 64 art 17 s 19,20*

#### **477B.041 ALLOCATION OF FIRE STATE AID FOR THE STATEWIDE VOLUNTEER FIREFIGHTER PLAN.**

Subdivision 1. **Definitions.** For the purposes of this section, unless the language or context clearly indicates that a different meaning is intended, the following terms have the meanings given to them:

(1) "Active volunteer firefighter" means a member of the statewide volunteer firefighter plan as defined in section 353G.01, subdivision 8.

(2) "Chief petitioning firefighter" means an active volunteer firefighter who, on behalf of petitioning firefighters, submits a petition to stop an aid allocation plan under subdivision 6 to the executive director.

(3) "Combination department" means a municipality or independent nonprofit firefighting corporation which, during the previous calendar year and on January 1, 2021:

(i) employed one or more firefighters covered by the statewide volunteer firefighter plan; and

(ii) contributed on behalf of one or more firefighters to the public employees police and fire retirement plan under chapter 353.

(4) "Covered period" means the period covered by the aid allocation plan beginning with the calendar year immediately following the calendar year in which the plan is approved and continuing for not more than three years.

(5) "Executive director" means the executive director of the Public Employees Retirement Association.

(6) "Reimbursement amount" means the amount calculated under subdivision 4, which reimburses a combination department for employer contributions made to the public employees police and fire retirement plan on behalf of covered firefighters.

(7) "Total state aid" means the combined total of fire state aid and police and firefighter supplemental state aid payable to the Public Employees Retirement Association on behalf of a combination department on October 1 under sections 477B.04, subdivision 1, and 423A.022, subdivision 4, respectively.

Subd. 2. **Submission of an aid allocation plan.** Beginning on March 1 of each year, a combination department may submit to the executive director an aid allocation plan that conforms with the requirements in this paragraph. The aid allocation plan must:

(1) be approved by the governing body of the combination department;

(2) be in writing and specify:

(i) the percentage of the fire state aid, dollar amount, or formula for determining the amount of fire state aid that will be transmitted to the combination department as the reimbursement amount; and

(ii) the covered period;

(3) be signed by the municipal clerk or secretary; and

(4) include the date that notice was provided to firefighters under subdivision 7.

Subd. 3. **Approval of aid allocation plan.** The executive director shall approve an aid allocation plan submitted by a combination department if:

(1) the aid allocation plan is submitted on or after March 1;

(2) the aid allocation plan meets the requirements in subdivision 2; and

(3) within 45 days after receipt of the aid allocation plan, the executive director has not received a petition to stop aid allocation described in subdivision 6.

Subd. 4. **Deposit; transfer of fire state aid under aid allocation plan.** (a) Fire state aid covered by an approved aid allocation plan must be deposited in accordance with this subdivision. Within 30 days after

receipt of the fire state aid, the executive director must transmit the reimbursement amount to the combination department. The reimbursement amount must not exceed the smallest of the following amounts:

(1) the percentage, dollar amount, or formula specified by the combination department under subdivision 2;

(2) the combination department's total employer contribution to the public employees police and fire retirement plan on behalf of firefighters during the preceding calendar year;

(3) the amount of fire state aid payable to the Public Employees Retirement Association on behalf of the combination department on October 1 of the current calendar year under section 477B.04, subdivision 1;

(4) the amount determined by subtracting from the combination department's total state aid the combination department's annual funding requirement under section 353G.08 as calculated on or before August 1 for the current year; or

(5) the amount determined by subtracting from the combination department's total state aid the amount required to increase the funding ratio of the combination department's account to not less than 100 percent as of the date of the valuation used to determine the funding requirement under clause (4).

(b) After transmitting the reimbursement amount, the executive director must immediately credit any remaining fire state aid against the combination department's annual funding requirement under section 353G.08. The executive director must notify the combination department of the disposition of fire state aid within 30 days of transmission of the reimbursement amount.

(c) Fire state aids payable before or after the covered period must be credited as if no aid allocation plan has been approved under section 477B.04, subdivision 3, paragraph (a).

**Subd. 5. Termination; modification of aid allocation plan.** (a) The governing body of a combination department may terminate an aid allocation plan at any time by submitting a notice of termination to the executive director.

(b) A combination department may modify an aid allocation plan at any time during the covered period by submitting a modified aid allocation plan to the executive director. The modified aid allocation plan must meet the requirements of an aid allocation plan under subdivision 3.

(c) The termination or modification of an aid allocation plan applies only to subsequent fire state aid payments and does not affect any reimbursement amount already transmitted to the combination department.

(d) The combination department must provide notice of any modification or termination as required under subdivision 7.

**Subd. 6. Petition to stop aid allocation.** (a) Within 45 days after a combination department submits an aid allocation plan or modified aid allocation plan to the executive director, an active volunteer firefighter employed by the combination department may submit to the executive director a petition to stop the aid allocation plan. The petition must be in a form prescribed by the executive director. The executive director must reject an aid allocation plan or modified aid allocation plan as a result of the petition if:

(1) the executive director receives the petition to stop the aid allocation plan within 45 days after receiving an aid allocation plan or modified aid allocation plan for the same combination department; and

(2) the petition to stop aid allocation is in writing and includes the names and signatures of a majority of the active volunteer firefighters employed by the combination department and the name and contact information for the chief petitioning firefighter.

(b) When determining whether a petition includes the names and signatures of a majority of the active volunteer firefighters affiliated with the combination department, the executive director must verify that the names provided match the active volunteer firefighter records maintained by the Public Employees Retirement Association.

(c) Upon receipt of a petition to stop aid allocation, the executive director must immediately notify the combination department that a petition was received. Within 15 days after receipt of the petition to stop aid allocation, the executive director must report to the combination department and the chief petitioning firefighter whether the aid allocation plan was rejected as a result of the petition.

(d) If an aid allocation plan is rejected as a result of a petition, the combination department may revise the aid allocation plan and submit the revised plan, subject to the requirements in this section, including the notice under subdivision 7 and the firefighters' right to petition to stop aid allocation under the revised plan under subdivision 6.

Subd. 7. **Notice to volunteer firefighters.** Within 30 days before submitting to the executive director an aid allocation plan or modification or termination of an aid allocation plan, the combination department must notify all active volunteer firefighters employed by the combination department in writing. The notice must include a copy of the aid allocation plan, modified aid allocation plan, or notice of termination approved by the governing body of the combination department.

Subd. 8. **Forms authorized.** The executive director must prescribe a form of petition that satisfies the requirements of subdivision 6 and may prescribe other forms as required for the administration of this section.

**History:** 2021 c 22 art 4 s 2

#### **477B.042 ALLOCATION OF FIRE STATE AID FOR RELIEF ASSOCIATIONS.**

Subdivision 1. **Applicability.** (a) This section applies to fire state aid payable each year under section 477B.04, subdivision 3, paragraph (b), if, during the prior year, the municipality or independent nonprofit firefighting corporation:

(1) employs one or more volunteer firefighters covered by the relief association affiliated with the municipality or independent nonprofit firefighting corporation under chapter 424A; and

(2) contributes on behalf of one or more firefighters to the public employees police and fire retirement plan under chapter 353.

(b) This section does not apply to police and firefighter supplemental state aid under section 423A.022.

Subd. 2. **Allocation of fire state aid.** (a) The municipality or independent nonprofit firefighting corporation and the affiliated relief association may agree to allocate fire state aid between the relief association and the public employees police and fire retirement plan by entering into an aid allocation agreement described in subdivision 3.

(b) If an aid allocation agreement has been filed with the state auditor and is in effect, then within 30 days of receipt of the fire state aid the treasurer of the municipality must transmit to the relief association the amount of the fire state aid as determined in the aid allocation agreement. If a municipality receives fire

state aid on behalf of an independent nonprofit firefighting corporation, the municipality must also transmit any remaining fire state aid to the independent nonprofit firefighting corporation.

(c) The fire state aid allocated to the municipality or independent nonprofit firefighting corporation may only be disbursed for the payment of employer contributions for firefighters covered by the public employees police and fire retirement plan or for contributions to the relief association and must be disbursed within 18 months of receipt by the municipality or independent nonprofit firefighting corporation.

Subd. 3. **Aid allocation agreement.** (a) An aid allocation agreement is a written agreement that meets the following requirements:

(1) the agreement specifies:

(i) the percentage of the fire state aid, a dollar amount, or a formula for determining the amount of fire state aid that will be transmitted to the relief association annually; and

(ii) the period of time covered by the agreement and the date on which the agreement expires; and

(2) the agreement has been signed by:

(i) an individual authorized to sign on behalf of the municipality or independent nonprofit firefighting corporation; and

(ii) the president of the relief association or its representative duly appointed for the purposes of this section.

(b) An aid allocation agreement is not effective unless filed with the state auditor under subdivision 5.

Subd. 4. **Modifying or terminating the aid allocation agreement.** (a) The parties to the agreement may modify or terminate the aid allocation agreement, provided that the modification or termination is in writing and signed by the parties.

(b) If the amount of fire state aid paid to a municipality or independent nonprofit firefighting corporation by the commissioner changes by an amount greater than 50 percent of the prior year's amount, then the aid allocation agreement may be terminated by either party to the agreement by providing written notice of termination to the other party.

(c) Unless the aid allocation agreement provides otherwise, termination is effective for the fire state aids payable in the calendar year after notice of termination has been given.

Subd. 5. **Filing requirement and remedy.** (a) By March 1 of each year in which fire state aid is to be allocated, the municipality or independent nonprofit firefighting corporation must file a copy of the aid allocation agreement or modified agreement with the state auditor.

(b) If an aid allocation agreement terminates by its own terms or for any other reason, the municipality or independent nonprofit firefighting corporation must notify the Office of the State Auditor in writing within 30 days after the termination date.

(c) If the municipality or independent nonprofit firefighting corporation fails to file by the deadline in paragraph (a), fire state aid payments must not be allocated, but must be transmitted to the relief association until the agreement has been filed. If the state auditor determines that an aid allocation agreement does not meet the requirements of subdivision 3, any future fire state aid payments must be transmitted to the relief

association by the municipality until the municipality files with the state auditor an aid allocation agreement that satisfies the requirements under subdivision 3.

**History:** *2020 c 108 art 11 s 2*

**477B.05 SHORTFALL FROM GENERAL FUND.**

(a) If the annual funding requirements of fire relief associations or consolidation accounts under sections 424A.091 to 424A.095 or Laws 2013, chapter 111, article 5, sections 31 to 42, exceed all applicable revenue sources of a given year, including the insurance premium taxes funding fire state aid under this chapter as set under section 297I.05, subdivisions 2, 3, and 4, the shortfall in the annual funding requirements must be paid from the general fund to the extent appropriated by the legislature.

(b) Nothing in this section relieves any municipality from its obligation to a relief association or consolidation account under law.

**History:** *1Sp2019 c 6 art 19 s 5*