423A.022 POLICE AND FIREFIGHTER RETIREMENT SUPPLEMENTAL STATE AID.

Subdivision 1. **Supplemental state aid.** Annually, the commissioner of revenue shall allocate police and firefighter retirement supplemental state aid appropriated under subdivision 6 as provided in subdivision 2 and paid as provided in subdivision 4.

Subd. 2. **Allocation.** (a) Of the total amount appropriated as supplemental state aid:

(1) 58.064 percent must be paid to the executive director of the Public Employees Retirement Association for deposit in the public employees police and fire retirement fund established by section 353.65, subdivision 1;

(2) 35.484 percent must be allocated and paid as required by paragraphs (b) and (c), respectively, to or on behalf of municipalities who qualify for supplemental state aid under paragraph (d); and

(3) 6.452 percent must be paid to the executive director of the Minnesota State Retirement System for deposit in the state patrol retirement fund.

(b) Supplemental state aid under paragraph (a), clause (2), must be allocated to each municipality that qualifies for supplemental state aid under paragraph (d) in the same proportion that the most recent amount of fire state aid paid under section 477B.04 for the municipality bears to the most recent total fire state aid paid under section 477B.04 for all municipalities other than municipalities solely employing firefighters with retirement coverage by one or more pension plans under chapter 353.

(c) Supplemental state aid under paragraph (a), clause (2), must be paid:

(1) to the executive director of the Public Employees Retirement Association for each municipality with a fire department that participates in the statewide volunteer firefighter plan for deposit in the fund established by section 353G.02, subdivision 3, and credited to the fire department's account; and

(2) with the balance to the treasurer of each municipality for transmittal within 30 days of receipt to the treasurer of the applicable firefighter relief association for deposit in its special fund.

(d) A municipality qualifies for supplemental state aid under paragraph (a), clause (2), if the municipality:

(1) does not solely employ firefighters with retirement coverage provided by one or more pension plans established under chapter 353; and

(2) qualified to receive fire state aid in that calendar year.

(e) For purposes of this section, the term "municipalities" includes independent nonprofit firefighting corporations that participate in the statewide volunteer firefighter plan under chapter 353G or with subsidiary firefighter relief associations operating under chapter 424A.

Subd. 3. **Reporting.** On or before September 1, annually, the executive director of the Public Employees Retirement Association shall report to the commissioner of revenue the following:

(1) the municipalities that employ firefighters with retirement coverage by the public employees police and fire retirement plan;

(2) the municipalities that employ firefighters with retirement coverage by the general employees retirement plan;

(3) the fire departments covered by the statewide volunteer firefighter plan; and

(4) any other information requested by the commissioner to administer the police and firefighter retirement supplemental state aid program.

Subd. 4. **Payments; conditions prerequisite.** (a) The payments under this section must be made on October 1 each year, with interest at one percent for each month, or portion of a month, that the amount remains unpaid after October 1. Any necessary adjustments must be made to subsequent payments.

(b) The provisions of chapter 477B and section 424A.014 that prevent municipalities and relief associations from being eligible for, or receiving fire state aid under chapter 477B and section 424A.014 until the applicable financial reporting requirements have been complied with, apply to the amounts payable to municipalities and relief associations under this section.

Subd. 5. **Aid termination.** (a) The aid under subdivision 2, paragraph (a), clauses (1) and (3), continues until the December 1 following three consecutive fiscal years in which, for each fiscal year, the actuarial value of assets of both the State Patrol retirement plan and the public employees police and fire retirement plan equals or exceeds 100 percent of the actuarial accrued liabilities as reported by the actuary retained under section 356.214 in the annual actuarial valuation prepared under section 356.215.

(b) The aid under subdivision 2, paragraph (a), clause (2), does not terminate.

Subd. 6. **Appropriation.** $15,500,000 is appropriated annually to the commissioner of revenue for this aid program.

History: *2013 c 143 art 2 s 6; 2014 c 296 art 9 s 4,5; 2014 c 308 art 1 s 4; art 9 s 83; 2015 c 68 art 6 s 1; 2018 c 211 art 8 s 8; 1Sp2019 c 6 art 22 s 13,14; 2020 c 108 art 7 s 9; 2024 c 102 art 2 s 31; art 9 s 7; 2025 c 37 art 16 s 4; art 21 s 1,2; 2026 c 88 art 1 s 197; 2026 c 106 art 15 s 26; art 16 s 4*