

CHAPTER 69

FIRE AND POLICE DEPARTMENT AID; RELIEF ASSOCIATIONS

- | | |
|--|--|
| 69.011 Qualifying for state aid. | 69.48 Surviving spouses and children, pensions. |
| 69.021 Reporting premiums; calculation of aid. | 69.49 Board of examiners. |
| 69.031 Commissioner of finance's warrant, appropriation, payment and administration. | 69.50 State auditor to examine books. |
| 69.051 Financial report, bond, examination. | 69.51 Payments exempt from process. |
| 69.25 Firefighters' relief associations in cities of first class. | 69.52 Workers' compensation act not affected. |
| 69.26 Relief associations self-governing. | 69.53 Acts repealed, exceptions. |
| 69.27 Members. | 69.54 Surcharge on premiums to restore deficiency in special fund. |
| 69.28 Eligibility. | 69.55 Warrant on state treasurer. |
| 69.29 Exclusion from membership. | 69.56 State treasurer to pay warrant. |
| 69.30 Officers, duties, bonds. | 69.58 Insuring in unauthorized companies; dues; statement. |
| 69.32 City clerk to file report with commissioner. | 69.59 Collection of percentage on premium; recovery. |
| 69.33 Names of associations reported to insurance companies. | 69.60 Proceeds, disposal of. |
| 69.361 Payroll deduction. | 69.61 Exempt property. |
| 69.37 County treasurer to pay over moneys collected. | 69.62 Pension payments exempt from process. |
| 69.38 Associations to manage funds. | 69.77 Police and firefighters' relief association guidelines act. |
| 69.39 Separate fund. | 69.771 Volunteer firefighters' relief association financing guidelines act; application. |
| 69.40 Payments. | 69.772 Relief associations paying lump sum service pensions. |
| 69.41 Sickness and disability defined. | 69.773 Relief associations paying monthly service pensions. |
| 69.42 Pensions, right to reduce. | 69.774 Nonprofit firefighting corporations. |
| 69.43 Persons entitled to relief. | 69.775 Investments. |
| 69.44 Disability benefits, amount. | 69.776 Citation; application of other laws. |
| 69.45 Retirement pension. | 69.78 Application of other laws to contribution rate. |
| 69.46 Member may be on deferred pension list. | 69.80 Authorized administrative expenses. |
| 69.47 War service included in period of service. | |

69.01 [Repealed, 1969 c 1001 s 11]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, 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) "Net tax capacity" means latest available net tax capacity 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 insur-

MINNESOTA STATUTES 1990

1753

FIRE AND POLICE DEPARTMENT AID; RELIEF ASSOCIATIONS 69.011

ing 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 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 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.

Subd. 2. Qualification for fire or police state aid. (a) In order to qualify to receive fire state aid, on or before March 15 annually, in conjunction with the financial report required pursuant to section 69.051, 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 firefighters' relief association whichever is applicable, and the fire chief, 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 15 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 the commissioner together with the other facts the commissioner or auditor may require.

On or before March 15 annually, the clerk of each municipality and the auditor of each county employing one or more peace officers as defined in subdivision 1, clause (h), shall certify the number of such peace officers to the commissioner on forms prescribed by the commissioner. 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 1/12 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 an 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, the fire marshal or any of the fire marshal's 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 the fire marshal shall make a report of the fact and the commissioner shall disqualify the municipality or nonprofit firefighting corporation from participation in the state aid apportionment provided for in this chapter and chapter 424.

History: 1969 c 1001 s 2; 1971 c 695 s 1; Ex 1971 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; 1983 c 101 s 1; 1983 c 113 s 1; 1984 c 592 s 64; 1985 c 248 s 70; 1985 c 261 s 1; 1986 c 359 s 4,5; 1986 c 444; 1Sp1986 c 3 art 1 s 11; 1987 c 268 art 2 s 19,20; 1988 c 719 art 5 s 84; 1989 c 277 art 1 s 3; 1989 c 329 art 15 s 20

MINNESOTA STATUTES 1990

1755

FIRE AND POLICE DEPARTMENT AID; RELIEF ASSOCIATIONS 69.021

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 shall, at the time of mailing 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 insurer's 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 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.

Subd. 3. Penalty for fraudulent, incorrect, incomplete returns and late filing of report. When it appears to the commissioner 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. If the insurer fails to file a report on or before March 1, annually, the insurer shall be liable and shall pay \$25 for each seven days delinquent or fraction thereof not to exceed \$200. If the insurer fails to file a corrected report within 30 days after demand, the insurer is liable for the penalties provided in this subdivision for knowingly filing an inaccurate or false report.

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 of commerce may revoke the insurer's certificate of authority.

Any person whose duty it is to make the report who fails or refuses to make it within 30 days after notification by the commissioner 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. 3a. [Repealed, 1987 c 268 art 2 s 38]

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 police state 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 pursuant to section 69.011, (2) the financial compliance report required pursuant to 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 pursuant

to subdivision 6 the amount of fire state aid and police state aid which each county, municipality, or independent nonprofit firefighting corporation is to receive and shall certify to the commissioner of finance the name of each county, municipality, or independent nonprofit firefighting corporation and the amount of state aid which each is to receive.

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 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 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 net tax capacity, 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 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 relief associations. (1) The commissioner shall apportion the state aid relative to the premiums reported on the Minnesota Firetown Premium Reports filed pursuant to this chapter to each municipality and/or firefighters' relief association 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 net tax capacity 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 commissioner shall calculate the state aid for the municipality or relief association on the basis of the population and the net tax capacity 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 net tax capacity 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 net tax capacity 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.

MINNESOTA STATUTES 1990

1757

FIRE AND POLICE DEPARTMENT AID; RELIEF ASSOCIATIONS 69.031

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 is hereby empowered to make rules to permit the administration of the provisions of this section.

(2) The commissioner shall apportion the state police 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 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.

Subd. 8. Population and tax capacity. 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 net tax capacity figures only the latest available net tax capacity 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 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: 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; 1983 c 289 s 114 subd 1; 1984 c 558 art 1 s 8; 1984 c 592 s 65-68; 1984 c 655 art 1 s 92; 1985 c 248 s 70; 1986 c 359 s 6,7; 1986 c 444; 1Sp1986 c 1 art 4 s 1-4; 1987 c 268 art 2 s 21-23; 1987 c 404 s 90; 1988 c 719 art 2 s 4; art 5 s 84; 1989 c 329 art 13 s 20; 1990 c 480 art 6 s 3

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 county, municipality, or independent nonprofit firefighting corpora-

tion certified to the commissioner of finance by the commissioner a warrant for an amount equal to the amount certified to by the commissioner pursuant to section 69.021. The amount due and not paid by September 1 accrues interest at the rate of one percent for each month or part of a month the amount remains unpaid, beginning the preceding July 1.

Subd. 2. [Repealed, 1Sp1985 c 13 s 376]

Subd. 3. **Appropriations.** There is hereby appropriated annually from the state general fund to the commissioner of revenue an amount sufficient to make the payments specified in this section and section 69.021.

Subd. 4. [Repealed, 1Sp1986 c 1 art 4 s 48]

Subd. 5. **Deposit of state aid.** (1) The municipal treasurer, on receiving the fire state aid, shall within 30 days after receipt transmit it to the treasurer of the duly incorporated firefighters' 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 be deposited in the public employees insurance reserve holding account of the public employees retirement association; or

(c) For a municipality other than a city of the first class with a population of more than 300,000 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).

For a city of the first class with a population of more than 300,000, in addition, the city may elect to allot the appropriate portion of the total police state aid to apply toward the employer contribution of the city to the public employees police and fire fund based on the covered salary of police officers covered by the fund each payroll period and to transmit the balance to the police relief association.

(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 be deposited in the public employees insurance reserve holding account of the public employees retirement association.

MINNESOTA STATUTES 1990

1759

FIRE AND POLICE DEPARTMENT AID; RELIEF ASSOCIATIONS 69.051

Subd. 6. [Repealed, 1984 c 592 s 94]

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; 1984 c 558 art 1 s 9; 1984 c 655 art 2 s 12 subd 1; 1Sp1985 c 13 s 192; 1986 c 359 s 8; 1986 c 444; 1Sp1986 c 1 art 4 s 5,6; 1988 c 719 art 2 s 5; 1989 c 319 art 6 s 2; art 19 s 2

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 and audit.** The board of each salaried firefighters' and police relief association and of each volunteer firefighters' relief association with assets of at least \$200,000 or liabilities of at least \$200,000, according to the most recent actuarial valuation or financial report if no valuation is required, shall:

(a) Prepare a financial report covering the special and general funds of the relief association for the preceding fiscal year on a form prescribed by the state auditor. The financial report shall contain financial statements and disclosures which present the true financial condition of the relief association and the results of relief association operations in conformity with generally accepted accounting principles and in compliance 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;

(b) File the financial report in its office for public inspection and present it to the city council after the close of the fiscal year. One copy of the financial report shall be furnished to the state auditor after the close of the fiscal year; and

(c) Submit to the state auditor audited financial statements which have been attested to by a certified public accountant, public accountant, or the state auditor within 180 days after the close of the fiscal year, except that the state auditor may upon request of a city and a showing of inability to conform, extend the deadline. The state auditor may accept this report in lieu of the report required in clause (b).

Subd. 1a. **Financial statement.** The board of each volunteer firefighters' relief association and each independent nonprofit firefighting corporation with assets of less than \$200,000 and liabilities less than \$200,000, according to the most recent financial report, shall:

(a) Prepare a detailed statement of the financial affairs of the relief association's special and general funds in the style and form prescribed by the state auditor, for the preceding fiscal year showing all money received, with the sources, and respective amounts thereof; all disbursements for which orders have been drawn upon the treasurer; all accounts payable; all accounts receivable; the amount of money remaining in the treasury; total assets including a listing of all investments; the accrued liabilities; and all items necessary to show accurately the revenues and expenditures and financial position of the relief association;

(b) The detailed financial statement 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 examination shall give an opinion as to the condition of the special and general funds of the relief association, and shall comment upon any exceptions

MINNESOTA STATUTES 1990

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;

(c) The statement shall be countersigned by the municipal clerk or clerk-treasurer of the municipality, or, where applicable, 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;

(d) File the statement in the relief association office for public inspection and present it to the city council within 45 days after the close of the fiscal year; and

(e) Submit within 90 days after the close of the fiscal year a copy of the statement to the state auditor.

Subd. 1b. Qualification. 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 governed by section 69.77 shall enter upon duties without having given the association a bond in a reasonable amount acceptable to the municipality for the faithful discharge of duties according to law. No treasurer of a relief association governed by sections 69.771 to 69.776 shall enter upon the duties of the office until the treasurer has given the association a good and sufficient bond in an amount equal to at least ten percent of the assets of the relief association; however, the amount of the bond need not exceed \$500,000.

Subd. 3. Report by certain municipalities. Each municipality which has an organized fire department but which does not have a firefighters' 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 state auditor. The financial report shall contain any information which the state auditor 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 state auditor on or before July 1 annually. The state auditor 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. Notification by commissioner and state auditor. The state auditor in performing an audit or examination shall notify the legislative commission on pensions and retirement if the audit or examination reveals malfeasance, misfeasance, or nonfeasance in office.

The commissioner shall notify the legislative commission on pensions and retirement if the state auditor has not filed the required financial compliance reports by July 1.

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; 1983 c 113 s 2,3; 1986 c 359 s 9; 1986 c 444

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 FIREFIGHTERS' RELIEF ASSOCIATIONS IN CITIES OF FIRST CLASS.

The fire departments of each city of the first class in this state shall maintain a fire-fighters' 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: (3750-1) 1933 c 177 s 1; 1977 c 429 s 63

69.26 RELIEF ASSOCIATIONS SELF-GOVERNING.

Subdivision 1. 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 rules and restrictions of the laws of this state pertaining to corporations not inconsistent herewith.

Subd. 2. Each relief association may provide for the participation of retired members of the fire departments in the governance of the association as each association deems appropriate. The bylaws of the associations may be amended to provide retired members the right to vote, to be elected to the board and to pay dues.

History: (3750-2) 1933 c 177 s 2; 1977 c 429 s 63; 1985 c 248 s 70; 1985 c 261 s 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 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: (3750-3) 1933 c 177 s 3; 1951 c 557 s 1; 1977 c 429 s 63; 1986 c 444

69.28 ELIGIBILITY.

Every firefighter shall apply for membership in the relief association in the city in which employed within the time and in the manner hereinafter set forth. Any such firefighter shall, not later than 90 days from the time the firefighter 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 the firefighter's 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. The 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 of entrance on the payroll of the department, provided the applicant shall make up all dues which would have been paid had the applicant been a member of the firefighter's relief association from the date of entrance 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: (3750-4) 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; 1986 c 444

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: (3750-5) 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

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

MINNESOTA STATUTES 1990

1763

FIRE AND POLICE DEPARTMENT AID; RELIEF ASSOCIATIONS 69.361

a corporate bond to the association for the faithful performance of 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: (3750-6) 1933 c 177 s 6; 1986 c 444

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 firefighters' relief association shall, on or before March 1 each year, make and file with the county auditor and the commissioner a certificate stating the existence of the firefighters' relief association and any other information the commissioner or auditor may require.

History: (3750-8) 1933 c 177 s 8; 1969 c 1001 s 8; 1977 c 429 s 63; 1983 c 289 s 114 subd 1; 1984 c 655 art 1 s 92; 1986 c 444; 1989 c 209 art 1 s 7

69.33 NAMES OF ASSOCIATIONS REPORTED TO INSURANCE COMPANIES.

The commissioner shall enclose in the annual statement blank sent to all fire insurance companies doing business in this state a blank form containing the names of all firefighters' 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: (3750-9) 1933 c 177 s 9; 1973 c 492 s 14; 1977 c 429 s 63; 1986 c 444

69.34 [Repealed, 1969 c 1001 s 11]

69.35 [Repealed, 1969 c 1001 s 11]

69.36 [Repealed, 1989 c 277 art 4 s 80]

69.361 PAYROLL DEDUCTION.

In addition to the money 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 3-1/2 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, if paid the tax, or any part thereof, 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: (3750-13) 1933 c 177 s 13; 1986 c 444

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: (3750-14) 1933 c 177 s 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: (3750-15) 1933 c 177 s 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: (3750-16) 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

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

69.42 PENSIONS, RIGHT TO REDUCE.

Such firefighters' 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: (3750-18) 1933 c 177 s 18; 1955 c 188 s 5; 1955 c 358 s 2; 1977 c 429.s 63

69.43 PERSONS ENTITLED TO RELIEF.

A member of the association who, by reason of sickness or accident, becomes disabled from performing assigned 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: (3750-19) 1933 c 177 s 19; 1986 c 444

69.44 DISABILITY BENEFITS, AMOUNT.

A member of any such relief association entitled to disability benefits as herein defined, shall receive the same from the 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: (3750-20) 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; 1986 c 444

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 arriving 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 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 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 the member 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 1/80 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: (3750-21) 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; 1986 c 444

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 the right to a service pension. The member shall, upon application, be placed on the deferred pension roll of the association and, after the member has reached the age of 50 years, the association shall, upon application therefor, pay the member's 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 the association for any cause that may have arisen from, or that may be attributable to, the person's service in the fire department.

History: (3750-22) 1933 c 177 s 22; 1986 c 444

69.47 WAR SERVICE INCLUDED IN PERIOD OF SERVICE.

Any applicant for a service pension who subsequent to 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 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 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 the applicant shall not be considered as an active member of the association.

History: (3750-23) 1933 c 177 s 23; 1941 c 258 s 2; 1945 c 286 s 1; 1986 c 444

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: (3750-24) 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

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: (3750-25) 1933 c 177 s 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. On finding that any money has been expended for purposes not authorized by sections 69.25 to 69.53, the state auditor 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: (3750-26) 1933 c 177 s 26; 1973 c 492 s 7,14; 1986 c 444

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, except as provided in section 518.58, 518.581, or 518.611. 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. Any attempt to transfer any such right or claim, or any part thereof, shall be void.

History: (3750-27) 1933 c 177 s 27; 1987 c 157 s 1

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

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

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 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.

History: (3750-31) *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; 1Sp1986 c 1 art 7 s 4; 1987 c 268 art 2 s 24; 1988 c 719 art 19 s 1; 1989 c 277 art 1 s 4*

69.55 WARRANT ON STATE TREASURER.

The commissioner of finance by July 31 and December 31 of each year shall issue and deliver to the treasurer of the relief association in each city a 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 appropriated from the general fund the amount necessary to pay these warrants.

History: (3750-32) *Ex1934 c 53 s 2; 1935 c 86 s 2; 1969 c 399 s 1; 1973 c 492 s 14; 1986 c 444; 1987 c 268 art 2 s 25*

69.56 STATE TREASURER TO PAY WARRANT.

The state treasurer shall, upon presentation 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 in payment of any such warrant in the special fund of the relief association.

History: (3750-33) *Ex1934 c 53 s 3; 1935 c 86 s 3; 1969 c 399 s 1; 1973 c 492 s 14; 1986 c 444*

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 shall furnish to the commissioner of revenue, 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, the owner 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. 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, 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 willfully 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, and disbursed by, the commissioner as other sums collected under the terms of sections 69.58 to 69.61 are disbursed.

History: (3750-35) *Ex1934 c 56 s 1; 1937 c 258 s 1; 1984 c 592 s 69; 1986 c 444*

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 the commissioner of revenue shall 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. Penalties and interest as provided in section 289A.60 shall be imposed.

History: (3750-36) *Ex1934 c 56 s 2; 1937 c 258 s 2; 1984 c 592 s 70; 1986 c 444; 1990 c 480 art 1 s 46*

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

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 insurance.

History: (3750-38) Ex1934 c 56 s 4; 1986 c 444

69.62 PENSION PAYMENTS EXEMPT FROM PROCESS.

No payment made or to be made by any fire department relief association in a city of the first class under the provisions of sections 69.25 to 69.53 to any member of the pension roll shall be subject to judgment, garnishment, execution, or other legal process, except as provided in section 518.58, 518.581, or 518.611. No person entitled to a payment from a fire department relief association 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: (3751) 1923 c 204 s 1; 1984 c 547 s 1; 1988 c 668 s 1

- 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 firefighter, 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 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 state auditor and commissioner 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 clause (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 requirements of subdivisions 2a to 2h are met.

Subd. 2a. Each member of the relief association shall pay 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. The member contribution requirement specified in this subdivision shall not apply to any members who are volunteer firefighters.

Subd. 2b. **Relief association financial requirements; minimum municipal obligation.** The officers of the relief association shall 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 subdivision. 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 subdivision 2c.

The financial requirements of the relief association for the following calendar year shall be based on the most recent actuarial valuation or survey of the special fund of the association if more than one fund is maintained by the association, or of the association, if only one fund is maintained, prepared in accordance with sections 356.215, subdivisions 4 to 4k and 356.216, as required pursuant to subdivision 2h. If 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 imple-

MINNESOTA STATUTES 1990

1771

FIRE AND POLICE DEPARTMENT AID; RELIEF ASSOCIATIONS 69.77

mented, the actuarial estimate shall be used in calculating the financial requirements of the relief association.

If the relief association has an unfunded actuarial accrued liability as reported in the most recent actuarial valuation or survey, the total of the amounts calculated pursuant to clauses (a), (b), and (c) shall constitute the financial requirements of the relief association for the following year. If the relief association does not have an unfunded actuarial accrued liability as reported in the most recent actuarial valuation or survey, the amount calculated pursuant to clauses (a) and (b) 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 dollar amount of the administrative expenses of the special fund of the association if more than one fund is maintained by the association, or of the association if only one fund is maintained, for the most recent year, multiplied by the factor of 1.035. For a relief association in a municipality, the administrative expenses are those authorized under section 69.80. No amount of administrative expenses under this clause shall be included in the financial requirements of a relief association in a city of the first class with a population of more than 300,000.

(c) To the dollar amount of normal cost and expenses determined under clauses (a) and (b) shall be added an amount equal to the level annual dollar amount which is sufficient to amortize the unfunded actuarial 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 4d. The amortization date specified in this clause 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 anticipated for the following calendar year from the applicable state aid program established pursuant to sections 69.011 to 69.051 receivable by the relief association after any allocation made pursuant to section 69.031, subdivision 5, clause (2), subclause (c) or 423A.01, subdivision 2, clause (6), from the local police and salaried firefighters' relief association amortization aid program established pursuant to section 423A.02 and from the supplementary amortization state-aid program established under Laws 1984, chapter 564, section 48, and Laws 1985, chapter 261, section 17.

Subd. 2c. 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.

Subd. 2d. 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 subdivision 2b 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 subdivision until the date that the municipality actually makes the required payment.

Subd. 2e. The municipality shall provide in the annual municipal budget for at least the minimum obligation of the municipality calculated pursuant to subdivision 2b. 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.

Subd. 2f. 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.

Subd. 2g. The funds of the association must be invested in securities that are authorized investments under section 356A.06, subdivision 6 or 7. Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the fund may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio investments of the investment companies comply with the type of securities authorized for investment by section 11A.24, subdivisions 2 to 5. Securities held by the association before June 2, 1989, that do not meet the requirements of this subdivision may be retained after that date if they were proper investments for the association on that date.

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 of investment under section 11A.17. The governing board of the association may select and appoint a qualified private firm to measure management performance and return on investment, and the firm shall use the formula or formulas developed by the state board under section 11A.04, clause (11).

Subd. 2h. **Actuarial valuation required.** The association shall obtain an actuarial valuation showing the condition of the special fund of the relief association pursuant to sections 356.215 and 356.216 and any applicable standards for actuarial work established by the legislative commission on pensions and retirement as of December 31 of every year. A copy of the actuarial valuation 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 director of the legislative commission on pensions and retirement, and the state auditor, not later than July 1 of the following year.

Subd. 2i. 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 firefighters' 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; 1983 c 71 s 1; 1983 c 289 s 114 subd 1; 1983 c 291 s 2; 1984 c 574 s 2; 1984 c 655 art 1 s 92; 1Sp1985 c 7 s 35; 1986 c 356 s 6; 1986 c 359 s 10; 1987 c 259 s 6,7; 1989 c 319 art 8 s 7; art 19 s 3

69.771 VOLUNTEER FIREFIGHTERS' 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 firefighters' 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 firefighters' 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 state auditor 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; 1983 c 289 s 114 subd 1; 1984 c 655 art 1 s 92; 1990 c 480 art 6 s 4*

69.772 RELIEF ASSOCIATIONS PAYING LUMP SUM SERVICE PENSIONS.

Subdivision 1. Application. This section shall apply to any firefighters' 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 firefighters' relief association to which this section applies shall determine the accrued liability of the special fund of the relief association in accordance with the 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 of at least 20 years of active service for a totally nonforfeitable service pension shall deter-

MINNESOTA STATUTES 1990

mine 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	\$ 60
2	124
3	190
4	260
5	334
6	410
7	492
8	576
9	666
10	760
11	858
12	962
13	1070
14	1184
15	1304
16	1428
17	1560
18	1698
19	1844
20	2000
21 and thereafter	100 additional per year

As set forth in the table the accrued liability for each member or deferred member of the relief association corresponds to the cumulative years of active service to the credit of the member. The accrued liability of the special fund for each active or deferred member is determined by multiplying the accrued liability from the chart by the ratio of the lump sum service pension amount currently provided for in the bylaws of the relief association to a service pension of \$100 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 to the nearest full year of service credit. The total accrued liability of the special fund 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 state auditor deems it to be necessary or practical, the state

auditor 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 for the current calendar year, the financial requirements of the special fund for the following calendar year and the minimum obligation of the municipality with respect to the special fund for the following calendar year in accordance with the requirements of this subdivision.

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

(a) The total accrued liability of the special fund 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 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. To the extent possible, for those assets for which a market value is readily ascertainable, the current market value as of the date of the calculation for those assets shall be utilized in making this calculation. For any asset for which no market value is readily ascertainable, the cost value or the book value, whichever is applicable, shall be utilized in making this calculation.

(c) The amount of the total present assets of the special fund calculated pursuant to clause (b) shall be subtracted from the amount of the total accrued liability of the special fund 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 for the following calendar year shall be determined in the following manner:

(a) The total accrued liability of the special fund 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 in the total accrued liability of the special fund for the following calendar year over the total accrued liability of the special fund for the current year shall be calculated.

(c) The amount of anticipated future administrative expenses of the special fund shall be calculated by multiplying the dollar amount of the administrative expenses of the special fund for the most recent year by the factor of 1.035.

(d) If the special fund is fully funded, the financial requirement of the special fund for the following calendar year shall be the figure which represents the increase in the total accrued liability of the special fund as calculated pursuant to subclause (b).

(e) If the special fund 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 (d) 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 from full funding 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 after December 31, 1971 until each increase in the deficit from full funding is fully retired.

(f) If the special fund 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 (d) 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 shall be the financial requirements of the special fund 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 during the following calendar year, an amount of interest on the assets of the special fund projected to the beginning of the following 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; 1983 c 219 s 1-3; 1983 c 289 s 114 subd 1; 1984 c 655 art 1 s 92; 1987 c 259 s 8; 1990 c 480 art 6 s 5

69.773 RELIEF ASSOCIATIONS PAYING MONTHLY SERVICE PENSIONS.

Subdivision 1. Application. This section shall apply to any firefighters' 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. A relief association to which this section applies shall obtain 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 sections 356.215, subdivision 4d, and 356.216 and any applicable standards for actuarial work established by the legislative commission on pensions and retirement, 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 state auditor, not later than July 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 obtained 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.

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 of the special fund prepared in accordance with subdivision 2. If the relief association has an unfunded actuarial 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), (b), and (c). If the relief association does not have an unfunded actuarial accrued liability as reported in the most recent actuarial valuation, the financial requirements shall be an amount equal to the figure calculated pursuant to clauses (a) and (b). The determination of whether or not the relief association has an unfunded actuarial accrued liability shall be based on the current market value of assets for which a market value is readily ascertainable and the cost or book value, whichever is applicable, for assets for which no market value is readily ascertainable.

(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 amount of anticipated future administrative expenses of the special fund shall be calculated by multiplying the dollar amount of the administrative expenses of the special fund for the most recent year by the factor of 1.035.

(c) The amortization contribution requirement to retire the current unfunded actuarial 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 the actuarial assumptions used for calculating the actuarial 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 actuarial 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 actuarial 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 and the change or changes, by themselves and without inclusion of any other items of increase or decrease, produce a net increase in the unfunded actuarial 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 actuarial accrued liability of the special fund shall be determined in accordance with the provisions governing service pensions, retirement benefits, and actuarial assumptions in effect before an applicable change;

(ii) the level annual dollar contribution needed to amortize this unfunded actuarial 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 4d, in effect before any applicable change;

(iii) the unfunded actuarial 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 before an applicable change;

(iv) the level annual dollar contribution needed to amortize the difference between the unfunded actuarial accrued liability amount calculated pursuant to subclause (i) and the unfunded actuarial accrued liability amount calculated pursuant to subclause (iii) over a period of 20 years starting December 31 of the year in which the change is

MINNESOTA STATUTES 1990

1779

FIRE AND POLICE DEPARTMENT AID; RELIEF ASSOCIATIONS 69.773

effective shall be calculated using the interest assumption specified in section 356.215, subdivision 4d, in effect after 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 actuarial 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 4d, in effect after 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 before 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 resulting date 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 pursu-

ant 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; 1983 c 289 s 114 subd 1; 1984 c 655 art 1 s 92; 1Sp1985 c 7 s 35; 1986 c 359 s 11; 1987 c 259 s 9,10

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 317A 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 state auditor 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

MINNESOTA STATUTES 1990

1781

FIRE AND POLICE DEPARTMENT AID; RELIEF ASSOCIATIONS 69.78

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; 1983 c 289 s 114 subd 1; 1984 c 655 art 1 s 92; 1989 c 304 s 137; 1990 c 480 art 6 s 6

69.775 INVESTMENTS.

The special fund assets of the relief associations governed by sections 69.771 to 69.776 must be invested in securities that are authorized investments under section 356A.06, subdivision 6 or 7. Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the fund may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio investments of the investment companies comply with the type of securities authorized for investment by section 11A.24, subdivisions 2 to 5. Securities held by the associations before June 2, 1989, that do not meet the requirements of this section may be retained after that date if they were proper investments for the association on that date. 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 of investment under section 11A.17. The governing board of the association may select and appoint a qualified private firm to measure management performance and return on investment, and the firm shall use the formula or formulas developed by the state board under section 11A.04, clause (11).

History: 1971 c 261 s 5; 1973 c 129 s 7; 1974 c 152 s 11; 1980 c 607 art 14 s 28, 45 subd 1; 1981 c 208 s 8; 1984 c 574 s 3; 1986 c 356 s 7; 1986 c 359 s 12; 1989 c 319 art 8 s 8

69.776 CITATION; APPLICATION OF OTHER LAWS.

Subdivision 1. Sections 69.771 to 69.776 may be cited as "the volunteer firefighters' 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 firefighters' 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 of the president, secretary, and treasurer of the association, or their designees, and any other official of the relief association to whom a salary is payable under bylaws or articles of incorporation in effect on January 1, 1986, and their itemized expenses 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 and performance evaluation 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; 1986 c 359 s 13; 1987 c 372 art 1 s 1