

Apportionment Agreement Instructions

Why do we need to fill out an apportionment agreement?

Fire State Aid is calculated so that half of the total amount is apportioned based on the population within a fire department's service area, and the other half is apportioned based on the estimated market value (EMV) within a fire department's service area. That means that when two or more fire departments provide contracted fire protection service to a particular area (city, township, unorganized township), those departments must establish percentages of coverage by each fire department with the Department of Revenue, and then update the percentages as needed. Service contracts must also be on file with the Department of Revenue, however, these alone do not provide the necessary information to calculate aid, since they typically deal with land area (e.g., sections) rather than population and estimated market value.

An apportionment agreement is the way fire departments let the Department of Revenue know what percentages to apply when calculating aid, so that the calculations can be as accurate and fair as possible.

Fire chiefs (or their representatives) for each fire department must apportion the population and EMV of the property in the jointly served area ([Minnesota Statutes, section 69.021, subdivision 7](#), paragraph (c)). The population and estimated market value are apportioned on a percentage basis, which in total adds up to 100 percent.

Why is there an effective date on the agreement?

Those completing an apportionment agreement must also agree on an effective date for the agreement. Most importantly, the effective date should correspond to the service contracts in effect. This date also tells the Department of Revenue which year the change was made so that it can be applied to the correct aid payable year. For example, a change during calendar year 2019 is applied to aid payable in 2020.

How do we fill out an apportionment agreement?

Example apportionment agreements can be found on our website: [Example A](#) and [Example B](#). The descriptions below take you through how each example agreement was completed.

Example A

Alpha Township in Chase County has contracts for fire protection with the cities of Bravo and Charlie, which are both in Chase County. The fire chiefs (or official representatives) from the Bravo and Charlie fire departments must work together to calculate the percentage of Alpha Township that each fire department covers, based on population and estimated market value.

Alpha Township has a population of 750 according to the latest federal census. The township has a total estimated market value of \$800,000, according to the latest assessor’s valuation of real and personal property, manufactured home property, and exempt property.

The Bravo fire department provides fire service for 26 sections of the township, and the Charlie fire department provides fire service for 10 sections of the township. The 26 sections that the Bravo fire department cover have a population of 518 and a total estimated market value of \$480,000. The 10 sections that the Charlie fire department cover have a population of 232 and a total estimated market value of \$320,000.

Using the population and estimated market values of the areas that each department covers, the percentage of coverage for each department is calculated as shown in the following table.

City	Population	Pop. % (Population / Total Township Population)	EMV	EMV % (EMV / Total Township EMV)	Total % ((Pop. % + EMV %) / 2)
Bravo	518	69%	\$480,000	60%	64.5%
Charlie	<u>232</u>	<u>31%</u>	<u>\$320,000</u>	<u>40%</u>	<u>35.5%</u>
Total	750	100%	\$800,000	100%	100.0%

Note: The final percentage is a combined average percentage based on population and estimated market value. It is not based on the number of sections that each department covers.

Example B

Bargain Township in Chester County has contracts for fire protection with the cities of Cargo, Carson, Largo and Larson. The cities of Cargo and Largo are located in Dominion County, and the cities of Carson and Larson are located in Chester County. The fire chiefs (or official representatives) from the four fire departments must meet and determine the percentage of Bargain Township that each fire department covers.

Bargain Township has a population of 948 according to the latest federal census. The township has a total estimated market value of \$1,800,000, according to the latest assessor’s valuation of real and personal property, mobile home property, and exempt property.

The Cargo fire department provides fire service for 10 sections of Bargain Township, the Carson fire department provides fire service for 5 sections, the Largo fire department provides fire service for 12 sections, and the Larson fire department provides fire service for 19 sections. The 10 sections that the Cargo fire department cover have a population of 24 and a total estimated market value of \$100,000. The 5 sections that the Carson fire department cover have a population of 50 and a total estimated market value of \$200,000. The 12 sections that the Largo fire department cover have a population of 150 and a total estimated market value of \$800,000. The 19 sections that the Larson fire department covers have a population of 724 and a total estimated market value of \$700,000.



Using the population and values of the areas that each department covers, the percentage of coverage for each department is calculated as shown in the following table. Please round to the nearest one-tenth of a percent. You may need to round down in some cases where you would normally round up in order to not exceed 100%, as in the case of the Larson fire department in this example.

City	Population	Pop. % (Population / Total Township Population)	EMV	EMV % (EMV / Total Township EMV)	Total % ((Pop. % + EMV %) / 2)
Cargo	24	2.5%	\$100,000	5.6%	4.1%
Carson	50	5.3%	\$200,000	11.1%	8.2%
Largo	150	15.8%	\$800,000	44.4%	30.1%
Larson	724	76.4%	\$700,000	38.9%	57.6%
Total	948	100.0%	\$1,800,000	100.0%	100.0%

Note: The final percentage is a combined average percentage based on population and estimated market value. It is not based on the number of sections that each department covers.