

2023 FIRE AND POLICE STATE AIDS LEGISLATIVE BULLETIN



Appeals, Legal Services, and Disclosure Division
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St. Paul, MN 55146-2220

FINAL

Compliance report due dates. Minn. Stat. § 6.495, subd. 3, was amended to provide due dates for financial compliance reports submitted by the state auditor to the commissioner of revenue. Effective for aids payable in calendar year 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 17, § 1.

Apportionment agreement definition. Minn. Stat. § 477B.01 was amended by adding a new subd. 1a, to define “apportionment agreement” for the purposes of fire state aid. Effective for aids payable in calendar year 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 17, § 2.

Fire department definition. Minn. Stat. § 477B.01, subd. 5, was amended to add joint powers entities and fire protection special taxing districts to the definition of “fire department” for purposes of Chapter 477B. The latter is cross-referenced with Chapter 144F, that added authority to create fire protection special taxing districts in 2021. Effective for aids payable in calendar year 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 17, § 3.

Joint powers entity definition. Minn. Stat. § 477B.01 was amended by adding a new subd. 7a, that defines a joint powers entity for purposes of fire state aid. Effective for aids payable in calendar year 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 17, § 4.

Municipality definition. Minn. Stat. § 477B.01, subd. 10, was amended to include joint powers entities and fire protection special taxing districts in the definition of “municipality” for purposes of fire state aid. Park districts and the University of Minnesota are eliminated from the definition. These two entities do not receive fire state aid, have not received it in the past, and are not anticipated to qualify for fire state aid in the future. Effective for aids payable in calendar year 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 17, § 5.

Secretary definition. Minn. Stat. § 477B.01, subd. 11, was amended to include the secretary or financial manager of a joint powers board or fire protection special taxing district board in the definition of “secretary” for purposes of fire state aid. Effective for aids payable in calendar year 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 17, § 6.

Fire department criteria. Minn. Stat. § 477B.02, subd. 2, was amended to require a fire department to have a fire department identification number issued by the state fire marshal to receive fire state aid. Effective for aids payable in calendar year 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 17, § 7.

Fire department personnel and benefits criteria. Minn. Stat. § 477B.02, subd. 3, was amended to eliminate outdated personnel criteria for fire departments to receive fire state aid. Language was also added to clarify that a fire department may not be associated with more than one retirement benefit plan at the same time. Effective for aids payable in calendar year 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 17, § 8.

Public safety answering point requirement. Minn. Stat. § 477B.02 was amended by adding a new subd. 4a, requiring a fire department to be dispatched by a public safety answering point to qualify for fire state aid. Effective for aids payable in calendar year 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 17, § 9.

Documentation filing requirements. Minn. Stat. § 477B.02, subd. 5, was amended to clarify the documentation required to be filed with the commissioner by municipalities and independent nonprofit firefighting corporations already receiving fire state aid, and those applying for the first time. In the event a fire department is located in an unorganized territory, the county auditor is also required to provide information that the commissioner needs to apportion the estimated market value of the fire department service area.

Minn. Stat. § 477B.03, subd. 4, was amended (determines initial calculations for fire state aid) to reflect the new documentation requirements. Effective for aids payable in calendar year 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 17, §§ 10 and 16.

PERA certification. Minn. Stat. § 477B.02, subd. 8, was amended to provide that the executive director of the Public Employees Retirement Association (PERA) only needs to certify to the commissioner of revenue which fire departments began or terminated participation in the voluntary statewide volunteer firefighter retirement plan since the previous certification. Requires the certifications to include the number of active volunteer firefighters under section 477B.03, subd. 5.

Minn. Stat. 477B.03, subd. 5, was amended to provide the due date for PERA to certify the number of active firefighters to the commissioner of revenue and to the state auditor, and clarifies that the certification requirement applies to all municipalities and independent nonprofit firefighting corporations participating in the voluntary statewide volunteer firefighter retirement plan, not just to relief associations that were recently terminated because benefits started being provided by the statewide plan. Effective for aids payable in calendar year 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 17, §§ 11 and 17.

Fire department certification to commissioner. Minn. Stat. § 477B.02, subd. 9, was amended to require the municipal clerk or the secretary to annually certify a fire department's service area and whether all the qualification criteria for fire state aid are met. The municipal clerk or secretary must send a copy of the certification to the fire chief within five business days of filing with the commissioner. Effective for aids payable in calendar year 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 17, § 12.

Penalty for failure to file or correct certification. Minn. Stat. § 477B.02 subd. 10 and Minn. Stat. § 477C.02 subd. 4, were amended to change the penalty provisions related to failures to either file or correct the certification report required to determine the service area served by the fire or police department; and that the departments have met the eligibility requirements for aid

by March 1. The penalty only applies after corrective certification is not provided by March 15 or 30 days from the notice of rejection, whichever date is later. The amount of the penalty equals 10 percent of the aids that would have been paid for each week or fraction of a week that a certification or corrective certification is filed late. Effective for aids payable in calendar year 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 17, §§13 and 21.

Certain tax credits and calculation of amount of fire and police state aid available for apportionment. Minn. Stat. §§ 477B.03, subd. 2, and 477C.03, subd. 2, were amended to clarify that when the Department annually calculates the amount of fire and police state aid available for apportionment based on insurance premium data, the calculation is not affected by premium tax credits received under 297I.20, subd. 3 (historic structure insurance premium tax credit), subd. 4 (film production insurance premium tax credit), subd. 5 (housing insurance premium tax credit), and subd. 6 (short line railroad infrastructure modernization credit). This change aligns Chapters 477B and 477C with Minn. Stat. § 297I.20, subsd. 3, 4, 5, and 6, which state that the credits do not affect the calculation. Effective May 25, 2023.

Minn. Stat. § 477C.03, subd. 2, is also amended to delete vague language describing adjustments to aid payments. Effective for aids payable in calendar year 2024 and thereafter. Minn. Laws, Ch. 64, art. 17, §§ 14 and 22.

Population data. Minn. Stat. § 477B.03, subd. 3, was amended to require the commissioner to use the most recent population estimates from the state demographer, rather than federal census data, to calculate fire state aid. The amendment also requires the commissioner to use the estimated market value (EMV) property figures for the assessment year immediately prior to aid distribution in any calculations requiring EMV figures. Effective for aids payable in calendar year 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 17, § 15.

Fire state aid appeal. Minn. Stat. § 477B.03, subd. 7, was amended to provide that objections to fire state aid apportionments may only be raised within 60 days after the apportioned fire state aid is paid. There was previously no timeline for objections. Effective for aids payable in calendar year 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 17, § 18.

Timing and direction of fire state aid payments. Minn. Stat. § 477B.04, subd. 1, was amended to clarify that aid must be withheld for noncompliance with financial reporting requirements. If the Office of the State Auditor certifies that the requirements have been met, the commissioner of revenue must make the payments within ten business days of receipt of the certification. Language also clarifies that fire state aid payments will be distributed to the largest municipality in population located within a joint powers entity and within the fire department service area of independent nonprofit firefighting corporations. If a joint powers entity has designated an agency as its fiscal agent, however, the payments will be distributed to that agency regardless of population size. Effective for aids payable in calendar year 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 17, § 19.

Fire state aid amount corrections. Minn. Stat. § 477B.04 was amended by adding a new subd. 4, specifying how clerical errors that resulted in incorrect overpayments or underpayments of fire state aid are adjusted. Adjustments must occur within three years after a payment is issued. Effective for aids payable in calendar year 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 17, § 20.

Police state aid appeal. Minn. Stat. § 477C.03, subd. 5, was amended to provide that objections to police state aid apportionments may only be raised within 60 days after the apportioned police state aid is paid. There was previously no timeline for objections. Effective for aids payable in calendar year 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 17, § 23.

Police state aid amount corrections. Minn. Stat. § 477C.04 was amended by adding a new subd. 4, which specifies how clerical errors that resulted in incorrect overpayments and underpayments of police state aid are adjusted. Adjustments must occur within three years after a payment issued. Effective for aids payable in calendar year 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 17, § 24.

Repealer. An uncodified provision repealed Minn. Stat. § 477B.02, subd. 4. This subdivision details outdated equipment requirements for fire departments that are no longer used in determining qualification for fire state aid. Minn. Stat. § 477B.03, subd. 6 was also repealed. This subdivision contained vague language describing aid payment adjustments. It is no longer needed with the fire state aid correction language added to Minn. Stat. § 477B.04. Effective for aids payable in calendar year 2024 and thereafter. 2023 Minn. Laws, Ch. 64, Art. 17, § 25.