

1.1 A bill for an act

1.2 relating to retirement; changing provisions governing certain municipal
1.3 amortization aid; amending Minnesota Statutes 2008, section 423A.02,
1.4 subdivision 1.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2008, section 423A.02, subdivision 1, is amended to
1.7 read:

1.8 Subdivision 1. **Amortization state aid.** (a) A municipality in which is located
1.9 a local police or salaried firefighters' relief association to which the provisions of
1.10 section 69.77, apply, that had an unfunded actuarial accrued liability in the most recent
1.11 relief association actuarial valuation, is entitled, upon application as required by the
1.12 commissioner of revenue, to receive local police and salaried firefighters' relief association
1.13 amortization state aid if the municipality and the appropriate relief association both comply
1.14 with the applicable provisions of sections 69.031, subdivision 5, 69.051, subdivisions 1
1.15 and 3, and 69.77. ~~If a municipality loses entitlement for amortization state aid in any year~~
1.16 ~~because its local relief association no longer has an unfunded actuarial accrued liability,~~
1.17 ~~the municipality is not entitled to amortization state aid in any subsequent year.~~

1.18 (b) The total amount of amortization state aid to all entitled municipalities must
1.19 not exceed \$5,055,000.

1.20 (c) Subject to the adjustment for the city of Minneapolis provided in this paragraph,
1.21 the amount of amortization state aid to which a municipality is entitled annually is an
1.22 amount equal to the level annual dollar amount required to amortize, by December 31,
1.23 2010, the unfunded actuarial accrued liability of the special fund of the appropriate
1.24 relief association as reported in the December 31, 1978, actuarial valuation of the

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2.1 relief association prepared under sections 356.215 and 356.216, reduced by the dollar
2.2 amount required to pay the interest on the unfunded actuarial accrued liability of the
2.3 special fund of the relief association for calendar year 1981 set at the rate specified in
2.4 Minnesota Statutes 1978, section 356.215, subdivision 8. For the city of Minneapolis, the
2.5 amortization state aid amount thus determined must be reduced by \$747,232 on account of
2.6 the Minneapolis Police Relief Association and by \$772,768 on account of the Minneapolis
2.7 Fire Department Relief Association. If the amortization state aid amounts determined
2.8 under this paragraph exceed the amount appropriated for this purpose, the amortization
2.9 state aid for actual allocation must be reduced pro rata.

2.10 (d) Payment of amortization state aid to municipalities must be made directly to
2.11 the municipalities involved in three equal installments on July 15, September 15, and
2.12 November 15 annually. Upon receipt of amortization state aid, the municipal treasurer
2.13 shall transmit the aid amount to the treasurer of the local relief association for immediate
2.14 deposit in the special fund of the relief association.

2.15 (e) The commissioner of revenue shall prescribe and periodically revise the form for
2.16 and content of the application for the amortization state aid.