

STATE OF MINNESOTA

# Journal of the House

NINETY-SECOND SESSION — 2021

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FIFTY-THIRD DAY

SAINT PAUL, MINNESOTA, MONDAY, MAY 10, 2021

The House of Representatives convened at 4:30 p.m. and was called to order by Samantha Vang, Speaker pro tempore.

Prayer was offered by the Very Reverend Paul J. Lebens-Englund, Dean, Saint Mark's Episcopal Cathedral, Minneapolis, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

|             |            |                 |            |              |              |
|-------------|------------|-----------------|------------|--------------|--------------|
| Acomb       | Demuth     | Hanson, J.      | Liebling   | Neu Brindley | Schultz      |
| Agbaje      | Dettmer    | Hassan          | Lillie     | Noor         | Scott        |
| Akland      | Drazkowski | Hausman         | Lippert    | Novotny      | Stephenson   |
| Anderson    | Ecklund    | Heinrich        | Lislegard  | O'Driscoll   | Sundin       |
| Backer      | Edelson    | Heintzeman      | Long       | Olson, B.    | Swedzinski   |
| Bahner      | Elkins     | Her             | Lucero     | Olson, L.    | Theis        |
| Bahr        | Erickson   | Hertaus         | Lueck      | O'Neill      | Thompson     |
| Baker       | Feist      | Hollins         | Mariani    | Pelowski     | Torkelson    |
| Becker-Finn | Fischer    | Hornstein       | Marquart   | Petersburg   | Urdahl       |
| Bennett     | Franke     | Howard          | Masin      | Pfarr        | Vang         |
| Berg        | Franson    | Huot            | McDonald   | Pierson      | Wazlawik     |
| Bernardy    | Frazier    | Igo             | Mekeland   | Pinto        | West         |
| Bierman     | Frederick  | Johnson         | Miller     | Poston       | Winkler      |
| Bliss       | Freiberg   | Jordan          | Moller     | Pryor        | Wolgamott    |
| Boe         | Garofalo   | Jurgens         | Moran      | Quam         | Xiong, J.    |
| Boldon      | Gomez      | Keeler          | Morrison   | Raleigh      | Xiong, T.    |
| Burkel      | Green      | Kiel            | Mortensen  | Rasmusson    | Youakim      |
| Carlson     | Greenman   | Klevorn         | Mueller    | Reyer        | Spk. Hortman |
| Christensen | Grossell   | Koegel          | Munson     | Richardson   |              |
| Daniels     | Gruenhagen | Kotzya-Witthuhn | Murphy     | Robbins      |              |
| Daudt       | Haley      | Koznick         | Nash       | Sandell      |              |
| Davids      | Hamilton   | Kresha          | Nelson, M. | Sandstede    |              |
| Davnie      | Hansen, R. | Lee             | Nelson, N. | Schomacker   |              |

A quorum was present.

Albright was excused.

The Chief Clerk proceeded to read the Journal of the preceding day. There being no objection, further reading of the Journal was dispensed with and the Journal was approved as corrected by the Chief Clerk.

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## REPORTS OF CHIEF CLERK

S. F. No. 529 and H. F. No. 566, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Fischer moved that S. F. No. 529 be substituted for H. F. No. 566 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1047 and H. F. No. 1255, which had been referred to the Chief Clerk for comparison, were examined and found to be not identical.

Hansen, R., moved that S. F. No. 1047 be substituted for H. F. No. 1255 and that the House File be indefinitely postponed. The motion prevailed.

## REPORTS OF STANDING COMMITTEES AND DIVISIONS

Long from the Committee on Climate and Energy Finance and Policy to which was referred:

H. F. No. 239, A bill for an act relating to energy; establishing the Natural Gas Innovation Act; encouraging natural gas utilities to develop innovative resources; proposing coding for new law in Minnesota Statutes, chapter 216B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **TITLE.**

This bill may be referred to as the "Natural Gas Innovation Act."

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 2. **[216B.2427] NATURAL GAS UTILITY INNOVATION PLANS.**

Subdivision 1. **Definitions.** (a) For the purposes of this section and section 216B.2428, the following terms have the meanings given.

(b) "Biogas" means gas produced by the anaerobic digestion of biomass, gasification of biomass, or other effective conversion processes.

(c) "Carbon capture" means the capture of greenhouse gas emissions that would otherwise be released into the atmosphere.

(d) "Carbon-free resource" means an electricity generation facility whose operation does not contribute to statewide greenhouse gas emissions, as defined in section 216H.01, subdivision 2.

(e) "District energy" means a heating or cooling system that is solar thermal powered or that uses the constant temperature of the earth or underground aquifers as a thermal exchange medium to heat or cool multiple buildings connected through a piping network.

(f) "Energy efficiency" has the meaning given in section 216B.241, subdivision 1, paragraph (f), but does not include energy conservation investments that the commissioner determines could reasonably be included in a utility's conservation improvement program.

(g) "Greenhouse gas emissions" means emissions of carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride emitted by anthropogenic sources within the state and from the generation of electricity imported from outside Minnesota and consumed in Minnesota. Greenhouse gas emissions does not include carbon dioxide that is injected into geological formations to prevent the carbon dioxide's release to the atmosphere in compliance with applicable laws.

(h) "Innovative resource" means biogas, renewable natural gas, power-to-hydrogen, power-to-ammonia, carbon capture, strategic electrification, district energy, and energy efficiency.

(i) "Lifecycle greenhouse gas emissions" means the aggregate greenhouse gas emissions resulting from the production, processing, transmission, and consumption of an energy resource.

(j) "Lifecycle greenhouse gas emissions intensity" means lifecycle greenhouse gas emissions per unit of energy.

(k) "Nonexempt customer" means a utility customer that has not been included in a utility's innovation plan under subdivision 3, paragraph (f).

(l) "Power-to-ammonia" means the production of ammonia from hydrogen produced via power-to-hydrogen using a process that has a lower lifecycle greenhouse gas intensity than does natural gas produced from conventional geologic sources.

(m) "Power-to-hydrogen" means the use of electricity generated by a carbon-free resource to produce hydrogen.

(n) "Renewable energy" has the meaning given in section 216B.2422, subdivision 1.

(o) "Renewable natural gas" means biogas that has been processed to be interchangeable with, and that has a lower lifecycle greenhouse gas intensity than, natural gas produced from conventional geologic sources.

(p) "Solar thermal" has the meaning given to "qualifying solar thermal project" in section 216B.2411, subdivision 2, paragraph (d).

(q) "Strategic electrification" means the installation of electric end-use equipment in an existing building in which natural gas is a primary or back-up fuel source or in a newly-constructed building in which a customer receives natural gas service for one or more end-uses, provided that the electric end-use equipment:

(1) results in a net reduction in statewide greenhouse gas emissions, as defined in section 216H.01, subdivision 2, over the life of the equipment when compared to the most efficient commercially available natural gas alternative; and

(2) is installed and operated in a manner that improves the load factor of the customer's electric utility.

Strategic electrification does not include investments that the commissioner determines could reasonably be included in the natural gas utility's conservation improvement program under section 216B.241.

(r) "Total incremental cost" means the sum of the following components of a utility's innovation plan approved by the commission under subdivision 2:

(1) return of and on capital investments for the production, processing, pipeline interconnection, storage, and distribution of innovative resources;

(2) incremental operating costs associated with capital investments in infrastructure for the production, processing, pipeline interconnection, storage, and distribution of innovative resources;

(3) incremental costs to procure innovative resources from third parties;

(4) incremental costs to develop and administer programs; and

(5) incremental costs for research and development related to innovative resources, less the sum of:

(i) value received by the utility upon the resale of innovative resources or the innovative resources' byproducts, including any environmental credits included with the resale of renewable gaseous fuels or value received by the utility when innovative resources are used as vehicle fuel;

(ii) cost savings achieved through avoidance of purchases of natural gas produced from conventional geologic sources, including but not limited to avoided commodity purchases or avoided pipeline costs; and

(iii) other revenues received by the utility that are directly attributable to the utility's implementation of an innovation plan.

(s) "Utility" means a public utility as defined in section 216B.02, subdivision 4, that provides natural gas sales or natural gas transportation services to customers in Minnesota.

**Subd. 2. Innovation plans.** (a) A natural gas utility may file an innovation plan with the commission. The utility's plan must include, as applicable, the following components:

(1) the innovative resource or resources the utility plans to implement to contribute to meeting the state's greenhouse gas and renewable energy goals, including those established in sections 216C.05, subdivision 2, clause (3), and 216H.02, subdivision 1, within the requirements and limitations set forth in this section;

(2) research and development investments related to innovative resources the utility plans to undertake;

(3) total lifecycle greenhouse gas emissions that the utility projects are reduced or avoided through implementing the plan;

(4) a comparison of the estimate in clause (3) to total emissions from natural gas use by utility customers in 2020;

(5) a description of each pilot program included in the plan that is related to the development or provision of innovative resources, and an estimate of the total incremental costs to implement each element;

(6) the cost-effectiveness of innovative resources, calculated from the perspective of the utility, society, the utility's nonparticipating customers, and the utility's participating customers, compared to other innovative resources that could be deployed to reduce or avoid the same greenhouse gas emissions targeted for reduction by the utility's proposed innovative resource;

(7) for any pilot program not previously approved as part of the utility's most recent innovation plan, a third-party analysis of:

(i) the lifecycle greenhouse gas emissions intensity of the proposed innovative resources; and

(ii) the forecasted lifecycle greenhouse gas emissions reduced or avoided if the proposed pilot program is implemented;

(8) an explanation of the methodology used by the utility to calculate the lifecycle greenhouse gas emissions avoided or reduced by each pilot program included in the plan, including descriptions of how the utility's method deviated, if at all, from the carbon accounting frameworks established by the commission under section 216B.2428;

(9) a discussion of whether the plan supports the development and use of alternative agricultural products, waste reduction, reuse, or anaerobic digestion of organic waste, and the recovery of energy from wastewater, and if it does, a description of the geographic areas of the state in which those benefits will be realized;

(10) a description of third-party systems and processes the utility plans to use to:

(i) track the innovative resources included in the plan so that environmental benefits produced by the plan are not claimed for any other program; and

(ii) verify the environmental attributes and greenhouse gas emissions intensity of innovative resources included in the plan;

(11) projected local job impacts resulting from implementation of the plan and a description of steps the utility and the utility's energy suppliers and contractors are taking to maximize the availability of construction employment opportunities for local workers;

(12) a description of how the utility proposes to recover annual total incremental costs of the plan;

(13) steps the utility has taken or proposes to take to reduce the expected cost of the plan on low- and moderate-income residential customers and to ensure that low- and moderate-income residential customers benefit from innovative resources included in the plan;

(14) a report on the utility's progress toward implementing its previously approved innovation plan, if applicable;

(15) a report of the utility's progress toward achieving the cost-effectiveness objectives established by the commission with respect to the utility's previously approved innovation plan, if applicable; and

(16) collections of pilot programs that the utility estimates would, if implemented, provide approximately 50 percent, 150 percent, and 200 percent of the greenhouse gas reduction or avoidance benefits of the utility's proposed plan.

(b) The commission must approve, modify, or reject a plan. The commission must not approve an innovation plan unless the commission finds that:

(1) the size, scope, and scale of the plan produces net benefits under the cost-benefit framework established by the commission in section 216B.2428;

(2) the plan promotes the use of renewable energy resources and reduce or avoid greenhouse gas emissions at a cost level consistent with subdivision 3;

(3) the plan promotes local economic development;

(4) the innovative resources included in the plan have a lower lifecycle greenhouse gas intensity than natural gas produced from conventional geologic sources;

(5) the systems used to track and verify the environmental attributes of the innovative resources included in the plan are reasonable, considering available third-party tracking and verification systems;

(6) the costs and revenues projected under the plan are reasonable in comparison to other innovative resources the utility could deploy to reduce greenhouse gas emissions, considering other benefits of the innovative resources included in the plan;

(7) the total amount of estimated greenhouse gas emissions reduction or avoidance to be achieved under the plan is reasonable considering the state's greenhouse gas and renewable energy goals, including those established in section 216C.05, subdivision 2, clause (3), and section 216H.02, subdivision 1, customer cost, and the total amount of greenhouse gas emissions reduction or avoidance achieved under the utility's previously approved plans, if applicable; and

(8) any renewable natural gas purchased by a utility under the plan that is produced from the anaerobic digestion of manure is certified as being produced at an agricultural livestock production facility that does not increase the number of animal units at the facility solely or primarily for the purpose of producing renewable natural gas for the plan.

(c) In seeking to recover costs under a plan approved by the commission under this section, the utility must demonstrate to the satisfaction of the commission that the actual total incremental costs incurred to implement the approved innovation plan are reasonable. Prudently incurred costs under an approved plan, including prudently incurred costs to obtain the third-party analysis required in paragraph (a), clauses (6) and (7), are recoverable either:

(1) under section 216B.16, subdivision 7, clause (2), via the utility's purchased gas adjustment;

(2) in the utility's next general rate case; or

(3) via annual adjustments, provided that after notice and comment the commission determines that the costs included for recovery through rates are prudently incurred. Annual adjustments must include a rate of return, income taxes on the rate of return, incremental property taxes, incremental depreciation expense, and incremental operation and maintenance expenses. The rate of return must be at the level approved by the commission in the utility's last general rate case unless the commission determines that a different rate of return is in the public interest.

(d) Upon approval of a utility's plan, the commission shall establish cost-effectiveness objectives for the plan based on the cost-benefit test for innovative resources developed under section 216B.2428. The cost-effectiveness objective for each plan must demonstrate incremental progress from the previously approved plan's cost-effectiveness objective.

(e) A utility operating under an approved plan must file annual reports to the commission on work completed under the plan, including:

(1) costs incurred;

(2) lifecycle greenhouse gas emissions reductions or avoidance achieved;

(3) a description of the processes used to track and verify the innovative resources and to retire the associated environmental attributes;

(4) an assessment of the degree to which the lifecycle greenhouse gas accounting methodology is consistent with current science;

(5) the economic impact of the plan, including job creation;

(6) the utility's progress toward achieving the cost-effectiveness objectives established by the commission; and

(7) modifications to elements of the plan proposed by the utility.

(f) In evaluating a utility's annual report, the commission may:

(1) approve the continuation of a pilot program included in the plan, with or without modifications;

(2) require the utility to file a new or modified pilot program or plan; or

(3) disapprove the continuation of a pilot program or plan.

(g) An innovation plan has a term of five years. A subsequent innovation plan must be filed no later than four years after the previous plan was approved by the commission, so that if approved the new plan takes effect immediately upon expiration of the previous plan.

(h) For purposes of this section and the commission's lifecycle carbon accounting framework and cost-benefit test for innovative resources under section 216B.2428, any required analysis of lifecycle greenhouse gas emissions reductions or avoidance, or lifecycle greenhouse gas intensity:

(1) must include but is not limited to estimates of:

(i) avoided or reduced greenhouse gas emissions attributable to utility operations;

(ii) avoided or reduced greenhouse gas emissions from the production, processing, and transmission of fuels prior to the fuels' receipt by the utility; and

(iii) avoided or reduced greenhouse gas emissions at the point of end use;

(2) must not count any unit of greenhouse gas emissions avoidance or reduction more than once; and

(3) may, where direct measurement is not technically or economically feasible, rely on emissions factors, default values, or engineering estimates from a publicly accessible source accepted by a federal or state government agency, provided that the utility demonstrates to the commission's satisfaction that the emissions factors, default values, or engineering estimates produce a reasonable estimate of greenhouse gas emissions reductions, avoidance, or intensity.

(i) Strategic electrification implemented in a plan approved by the commission under this section is not eligible for a financial incentive under section 216B.241, subdivision 2c. Electric end-use equipment installed under a plan approved by the commission under this section is the exclusive property of the building owner.

**Subd. 3. Limitations on utility customer costs.** (a) Except as provided in paragraph (b), the first innovation plan submitted to the commission by a utility must not propose, and the commission must not approve, annual total incremental costs exceeding the lesser of:

(1) 1.75 percent of the utility's gross operating revenues from natural gas service provided in Minnesota at the time of plan filing; or

(2) \$20 per nonexempt customer based on the proposed annual total incremental costs for each year of the plan divided by the total number of nonexempt utility customers.

(b) The commission may approve additional annual costs up to the lesser of:

(1) an additional 0.25 percent of the utility's gross operating revenues from service provided in Minnesota at the time of plan filing; or

(2) \$5 per nonexempt customer, based on the proposed annual total incremental costs for each year of the plan divided by the total number of nonexempt utility customers of incremental costs, provided that the additional costs under this paragraph are associated exclusively with the purchase of renewable natural gas produced from:

(i) food waste diverted from a landfill;

(ii) a municipal wastewater treatment system; or

(iii) an organic mixture including at least 15 percent, by volume, sustainably harvested native prairie grasses or locally appropriate cover crops, as determined by a local soil and water conservation district or the United States Department of Agriculture, Natural Resources Conservation Service.

(c) If the commission determines that the utility has successfully achieved the cost-effectiveness objectives established in the utility's most recently approved innovation plan, except as provided in paragraph (d), the next plan filed by the same utility under this section is subject to the provisions of paragraphs (a) and (b), except that:

(1) the cap on total incremental costs in paragraph (a) with respect to the second plan is the lesser of:

(i) 2.75 percent of the utility's gross operating revenues from natural gas service in Minnesota at the time of the plan's filing; or

(ii) \$35 per nonexempt customer; and

(2) the cap on additional costs in paragraph (b) is the lesser of:

(i) an additional 0.75 percent of the utility's gross operating revenues from natural gas service in Minnesota at the time of the plan's filing; or

(ii) \$10 per nonexempt customer.

(d) If the commission determines that the utility has successfully achieved the cost-effectiveness objectives established in two of the same utility's previously approved innovation plans, all subsequent plans filed by the utility under this section are subject to the provisions of paragraphs (a) and (b), except that:

(1) the cap on total incremental costs in paragraph (a) with respect to the third or subsequent plan is the lesser of:

(i) four percent of the utility's gross operating revenues from natural gas service in Minnesota at the time of the plan's filing; or

(ii) \$50 per nonexempt customer; and

(2) the cap on additional costs in paragraph (b) is the lesser of:

(i) an additional 1.5 percent of the utility's gross operating revenues from natural gas service in Minnesota at the time of the plan's filing; or

(ii) \$20 per nonexempt customer.

(e) For purposes of paragraphs (a) to (d), the limits on annual total incremental costs must be calculated at the time the innovation plan is filed as the average of the utility's forecasted total incremental costs over the five-year term of the plan.

(f) A large customer facility that has been exempted by the commissioner of commerce from a utility's conservation improvement program under section 216B.241, subdivision 1a, paragraph (b), is exempt from the utility's innovation plan offerings and must not be charged any costs incurred to implement an approved innovation plan unless the large customer facility files a request with the commissioner to be included in a utility's innovation plan. The commission may prohibit large customer facilities exempted from innovation plan costs from participating in innovation plans.

(g) A utility filing an innovation plan may include annual spending and investments on research and development of up to ten percent of the proposed total incremental costs related to innovation plans, subject to the limitations in paragraphs (a) to (e).

(h) For purposes of this subdivision, "gross operating revenues" do not include revenues from large customer facilities exempted from innovation plan costs.

Subd. 4. **Innovative resources procured outside of an innovation plan.** (a) Without filing an innovation plan, a natural gas utility may propose and the commission may approve cost recovery for:

(1) innovative resources acquired to satisfy a commission-approved green tariff program that allows customers to choose to meet a portion of the customers' energy needs through innovative resources; or

(2) utility expenditures for innovative resources procured at a cost that is within five percent of the average of Ventura and Demarc index prices for natural gas produced from conventional geologic sources at the time of the transaction per unit of natural gas that the innovative resource displaces.

(b) An approved green tariff program must include provisions to ensure that reasonable systems are used to track and verify the environmental attributes of innovative resources included in the program, taking into account any available third party tracking or verification systems.

(c) For the purposes of this subdivision, "Ventura and Demarc index prices" means the daily index price of wholesale natural gas sold at the Northern Natural Gas Company's Ventura trading hub in Hancock County, Iowa, and its demarcation point in Clifton, Kansas.

Subd. 5. **Power-to-ammonia.** In determining whether to approve a power-to-ammonia pilot program as part of an innovation plan, the commission must consider:

(1) the risk of exposing any person to unhealthy concentrations of ammonia;

(2) the risk that any home or business might be affected by ammonia odors;

(3) whether the greenhouse gas emissions addressed by the proposed power-to-ammonia project could be more efficiently addressed using power-to-hydrogen; and

(4) whether the power-to-ammonia project achieves lifecycle greenhouse gas emissions reductions in the agricultural sector more effectively than power-to-hydrogen.

Subd. 6. **Thermal energy audits.** The first innovation plan filed under this section by a utility with more than 800,000 customers must include a pilot program to provide thermal energy audits to small and medium-sized businesses in order to identify opportunities to reduce or avoid greenhouse gas emissions from natural gas use. The pilot program must provide incentives for businesses to implement recommendations made by the audit. The utility must develop criteria to identify businesses that achieve significant emissions reductions by implementing audit recommendations and must recognize the businesses as thermal energy leaders.

Subd. 7. **Innovative resources for certain industrial processes.** The first innovation plan filed under this section by a utility with more than 800,000 customers must include a pilot program to provide innovative resources to industrial facilities whose manufacturing processes, for technical reasons, are not amenable to electrification. A large customer facility exempt from innovation plan offerings under subdivision 3, paragraph (f), is not eligible to participate in the pilot program.

Subd. 8. **Electric cold climate air-source heat pumps.** (a) The first innovation plan filed under this section by a utility with more than 800,000 customers must include a pilot program that facilitates deep energy retrofits and the installation of cold climate electric air-source heat pumps in existing residential homes that have natural gas heating systems.

(b) For purposes of this subdivision, "deep energy retrofit" means the installation of any measure or combination of measures, including air sealing and addressing thermal bridges, that under normal weather and operating conditions can reasonably be expected to reduce a building's calculated design load to ten or fewer British Thermal Units per hour per square foot of conditioned floor area. Deep energy retrofit does not include the installation of photovoltaic electric generation equipment, but may include the installation of a qualifying solar thermal energy project.

Subd. 9. **District energy.** The first innovation plan filed under this section by a utility with more than 800,000 customers must include a pilot program to facilitate the development, expansion, or modification of district energy systems in Minnesota. This subdivision does not require the utility to propose, construct, maintain, or own district energy infrastructure.

Subd. 10. **Throughput goal.** It is the goal of the state of Minnesota that through the Natural Gas Innovation Act and Conservation Improvement Program, utilities reduce the overall amount of natural gas produced from conventional geologic sources delivered to customers.

Subd. 11. **Utility system report and forecasts.** (a) A public utility filing an innovation plan shall concurrently submit a report to the commission containing the following information:

(1) methane gas emissions attributed to venting or leakage across the utility's system, including emissions information reported to the Environmental Protection Agency and gas leaks considered to be hazardous or nonhazardous, and a narrative description of the utility's expectations regarding the cost and performance of the utility's leakage reduction programs over the next five years;

(2) total system greenhouse gas emissions and greenhouse gas emissions projected to be reduced or avoided through innovative resource investments and energy conservation investments, and a narrative description of the costs required to achieve the reduction or avoidance over the next five years through investments in innovative sources and energy conservation;

(3) the quantity of pipe in service in the utility's natural gas network in Minnesota, by material, size, coating, operating pressure, and decade of installation based on utility information reported to the U.S. Department of Transportation;

(4) a narrative description of other significant equipment owned and operated by the utility through which gas is transported or stored, including regulator stations and storage facilities, a discussion of the function of that equipment, how the equipment is maintained, and utility efforts to prevent leaks from the equipment;

(5) a five-year forecast of fuel prices and anticipated purchases including, as available, natural gas produced from conventional geologic sources, renewable natural gas, and alternative fuels;

(6) a five-year forecast of potential capital investments by the utility in existing infrastructure and new infrastructure for natural gas produced from conventional geologic sources and for innovative resources; and

(7) an inventory of the utility's current financial incentive programs for natural gas, including rebates and incentives offered for new and existing buildings and a description of the utility's projected changes in incentives the utility is likely to implement over the next five years.

(b) Information filed under this subdivision is intended to be used by the commission to evaluate a utility's innovation plan in the context of the utility's other planned investments and activities with respect to natural gas produced from conventional geologic sources. Information filed under this subdivision must not be used by the commission to set or limit utility rate recovery.

Subd. 12. **Annual legislative report.** A utility whose innovation plan has been approved by the commission under this section must, beginning one year after commission approval of the plan and continuing each year thereafter, submit to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy policy a report that contains the following information:

(1) the lifecycle greenhouse gas emissions and lifecycle greenhouse gas emissions intensity of the utility's natural gas operations in Minnesota in 2020;

(2) the lifecycle greenhouse gas emissions and lifecycle greenhouse gas emissions intensity of each of the pilot programs the utility has implemented under an approved innovation plan during the previous 12 months; and

(3) an estimate of the social cost of the lifecycle greenhouse gas emissions in clauses (1) and (2), utilizing the most recent methodology used by the federal Environmental Protection Agency to measure the social cost of greenhouse gas emissions and employing a discount rate no greater than three percent.

**EFFECTIVE DATE.** This section is effective June 1, 2022.

**Sec. 3. [216B.2428] PUBLIC UTILITIES COMMISSION; LIFECYCLE GREENHOUSE GAS EMISSIONS ACCOUNTING FRAMEWORK; COST-BENEFIT TEST FOR INNOVATIVE RESOURCES.**

By June 1, 2022, the Public Utilities Commission shall, by order, issue frameworks the commission must use to calculate lifecycle greenhouse gas emissions intensities of each innovative resource, as follows:

(1) a general framework for the comparison of the lifecycle greenhouse gas emissions intensities of power-to-hydrogen, strategic electrification, renewable natural gas, district energy, energy efficiency, biogas, carbon capture, and power-to-ammonia; and

(2) a cost-benefit analytic framework to be applied to innovative resources and innovation plans filed under section 216B.2427 that the commission must use to compare the cost-effectiveness of those resources and plans. This analytic framework must take into account:

(i) the total incremental cost of the plan or resource and the lifecycle greenhouse gas emissions avoided or reduced by the innovative resource or plan, using the framework developed under clause (1);

(ii) additional economic costs and benefits, programmatic costs and benefits, additional environmental costs and benefits, and other costs or benefits that may be expected under a plan; and

(iii) baseline cost-effectiveness criteria against which an innovation plan should be compared. In establishing baseline criteria, the commission must take into account options available to reduce lifecycle greenhouse gas emissions from natural gas end uses and the goals in sections 216C.05, subdivision 2, clause (3), and 216H.02,

subdivision 1. To the maximum reasonable extent, the cost-benefit framework must be consistent with environmental cost values established under section 216B.2422, subdivision 3, and other calculations of the social value of greenhouse gas emissions reductions used by the commission. The commission may update frameworks established under this section as necessary.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 4. **PUBLIC UTILITIES COMMISSION; EVALUATION OF THE ROLE OF NATURAL GAS UTILITIES IN ACHIEVING STATE GREENHOUSE GAS REDUCTION GOALS.**

By August 1, 2021, the Public Utilities Commission must initiate a proceeding to evaluate changes to natural gas utility regulatory and policy structures needed to support the state's greenhouse gas emissions reductions goals, including those established in section 216H.02, subdivision 1, and to achieve net zero greenhouse gas emissions by 2050, as determined by the Intergovernmental Panel on Climate Change.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 5. **APPROPRIATION.**

\$189,000 in fiscal year 2022 and \$189,000 in fiscal year 2023 are appropriated from the general fund to the commissioner of commerce for the work identified under Minnesota Statutes, section 216B.2427. This appropriation must be recovered under the Department of Commerce's assessment authority under Minnesota Statutes, section 216B.62.

**EFFECTIVE DATE.** This section is effective the day following final enactment."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Moran from the Committee on Ways and Means to which was referred:

H. F. No. 600, A bill for an act relating to cannabis; establishing the Cannabis Management Board; establishing advisory councils; requiring reports relating to cannabis use and sales; legalizing and limiting the possession and use of cannabis by adults; providing for the licensing, inspection, and regulation of cannabis businesses; requiring testing of cannabis and cannabis products; requiring labeling of cannabis and cannabis products; limiting the advertisement of cannabis, cannabis products, and cannabis businesses; providing for the cultivation of cannabis in private residences; transferring regulatory authority for the medical cannabis program; taxing the sale of adult-use cannabis; establishing grant and loan programs; amending criminal penalties; establishing expungement procedures for certain individuals; establishing labor standards for the use of cannabis by employees and testing of employees; creating a civil cause of action for certain nuisances; amending the scheduling of marijuana and tetrahydrocannabinols; classifying data; appropriating money; amending Minnesota Statutes 2020, sections 13.411, by adding a subdivision; 13.871, by adding a subdivision; 152.02, subdivisions 2, 4; 152.022, subdivisions 1, 2; 152.023, subdivisions 1, 2; 152.024, subdivision 1; 152.025, subdivisions 1, 2; 181.938, subdivision 2; 181.950, subdivisions 2, 4, 5, 8, 13, by adding a subdivision; 181.951, by adding subdivisions; 181.952, by adding a subdivision; 181.953; 181.954; 181.955; 181.957, subdivision 1; 244.05, subdivision 2; 256.01, subdivision 18c; 256D.024, subdivision 1; 256J.26, subdivision 1; 290.0132, subdivision 29; 290.0134, subdivision 19; 297A.67, subdivisions 2, 7; 297A.99, by adding a subdivision; 297D.01, subdivision 2; 297D.04; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10; 297D.11; 609.135, subdivision 1; 609.531, subdivision 1;

609.5311, subdivision 1; 609.5314, subdivision 1; 609.5316, subdivision 2; 609.5317, subdivision 1; 609A.01; 609A.03, subdivisions 5, 9; proposing coding for new law in Minnesota Statutes, chapters 3; 17; 28A; 34A; 116J; 116L; 120B; 144; 152; 289A; 295; 604; 609A; proposing coding for new law as Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2020, sections 152.027, subdivisions 3, 4; 152.21; 152.22, subdivisions 1, 2, 3, 4, 5, 5a, 5b, 6, 7, 8, 9, 10, 11, 12, 13, 14; 152.23; 152.24; 152.25, subdivisions 1, 1a, 1b, 1c, 2, 3, 4; 152.26; 152.261; 152.27, subdivisions 1, 2, 3, 4, 5, 6, 7; 152.28, subdivisions 1, 2, 3; 152.29, subdivisions 1, 2, 3, 3a, 4; 152.30; 152.31; 152.32, subdivisions 1, 2, 3; 152.33, subdivisions 1, 1a, 2, 3, 4, 5, 6; 152.34; 152.35; 152.36, subdivisions 1, 1a, 2, 3, 4, 5; 152.37; 297D.01, subdivision 1; Minnesota Rules, parts 4770.0100; 4770.0200; 4770.0300; 4770.0400; 4770.0500; 4770.0600; 4770.0800; 4770.0900; 4770.1000; 4770.1100; 4770.1200; 4770.1300; 4770.1400; 4770.1460; 4770.1500; 4770.1600; 4770.1700; 4770.1800; 4770.1900; 4770.2000; 4770.2100; 4770.2200; 4770.2300; 4770.2400; 4770.2700; 4770.2800; 4770.4000; 4770.4002; 4770.4003; 4770.4004; 4770.4005; 4770.4007; 4770.4008; 4770.4009; 4770.4010; 4770.4012; 4770.4013; 4770.4014; 4770.4015; 4770.4016; 4770.4017; 4770.4018; 4770.4030.

Reported the same back with the following amendments:

Page 31, delete subdivision 2 and insert:

"Subd. 2. **Powers of board.** (a) In making inspections and investigations under this chapter, the board shall have the power to administer oaths, certify as to official acts, take and cause to be taken depositions of witnesses, issue subpoenas, and compel the attendance of witnesses and production of papers, books, documents, records, and testimony. In case of failure of any person to comply with any subpoena lawfully issued, or on the refusal of any witness to produce evidence or to testify to any matter regarding which the person may be lawfully interrogated, the district court shall, upon application of the board, compel obedience proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued by the court or a refusal to testify therein.

(b) If the board finds probable cause to believe that any adult-use cannabis, adult-use cannabis product, medical cannabis, or medical cannabis product is being distributed in violation of this chapter or rules adopted under this chapter, the board shall affix to the adult-use cannabis, adult-use cannabis product, medical cannabis, or medical cannabis product a tag, withdrawal from distribution order, or other appropriate marking providing notice that the adult-use cannabis, adult-use cannabis product, medical cannabis, or medical cannabis product is, or is suspected of being, distributed in violation of this chapter, and has been detained or embargoed, and warning all persons not to remove or dispose of the adult-use cannabis, adult-use cannabis product, medical cannabis, or medical cannabis product by sale or otherwise until permission for removal or disposal is given by the board or the court. It is unlawful for a person to remove or dispose of detained or embargoed adult-use cannabis, adult-use cannabis product, medical cannabis, or medical cannabis product by sale or otherwise without the board's or a court's permission and each transaction is a separate violation of this section.

(c) If any adult-use cannabis, adult-use cannabis product, medical cannabis, or medical cannabis product has been found by the board to be in violation of this chapter, the board shall petition the district court in the county in which the adult-use cannabis, adult-use cannabis product, medical cannabis, or medical cannabis product is detained or embargoed for an order and decree for the condemnation of the adult-use cannabis, adult-use cannabis product, medical cannabis, or medical cannabis product. The board shall release the adult-use cannabis, adult-use cannabis product, medical cannabis, or medical cannabis product when this chapter and rules adopted under this chapter have been complied with or the adult-use cannabis, adult-use cannabis product, medical cannabis, or medical cannabis product is found not to be in violation of this chapter or rules adopted under this chapter.

(d) If the court finds that detained or embargoed adult-use cannabis, adult-use cannabis product, medical cannabis, or medical cannabis product is in violation of this chapter or rules adopted under this chapter, the following remedies are available:

(1) after entering a decree, the adult-use cannabis, adult-use cannabis product, medical cannabis, or medical cannabis product may be destroyed at the expense of the claimant under the supervision of the board, and all court costs, fees, storage, and other proper expenses must be assessed against the claimant of the adult-use cannabis, adult-use cannabis product, medical cannabis, or medical cannabis product or the claimant's agent; and

(2) if the violation can be corrected by proper labeling or processing of the adult-use cannabis, adult-use cannabis product, medical cannabis, or medical cannabis product, the court, after entry of the decree and after costs, fees, and expenses have been paid, and a good and sufficient bond conditioned that the adult-use cannabis, adult-use cannabis product, medical cannabis, or medical cannabis product must be properly labeled or processed has been executed, may by order direct that the adult-use cannabis, adult-use cannabis product, medical cannabis, or medical cannabis product be delivered to the claimant for proper labeling or processing under the supervision of the board. The board's supervision expenses must be paid by the claimant. The adult-use cannabis, adult-use cannabis product, medical cannabis, or medical cannabis product must be returned to the claimant and the bond must be discharged on representation to the court by the board that the adult-use cannabis, adult-use cannabis product, medical cannabis, or medical cannabis product is no longer in violation and that the board's supervision expenses have been paid.

(e) If the board finds in any room, building, piece of equipment, vehicle of transportation, or other structure any adult-use cannabis, adult-use cannabis product, medical cannabis, or medical cannabis product that is unsound or contains any filthy, decomposed, or putrid substance, or that may be poisonous or deleterious to health or otherwise unsafe, the board shall condemn or destroy the item or in any other manner render the item as unsalable, and no one has any cause of action against the board on account of the board's action.

(f) The board may enter into an agreement with the commissioner of agriculture to analyze and examine samples or other articles furnished by the board for the purpose of determining whether the sample or article violates this chapter or rules adopted under this chapter. A copy of the examination or analysis report for any such article, duly authenticated under oath by the laboratory analyst making the determination or examination, shall be prima facie evidence in all courts of the matters and facts contained in the report."

Page 74, line 22, after "patient" insert "if required" and delete "2" and insert "3"

Page 91, after line 9, insert:

"(7) the maximum dose, quantity, or consumption that may be considered medically safe within a 24-hour period;"

Renumber the clauses in sequence

Page 91, after line 28, insert:

"(11) the maximum dose, quantity, or consumption that may be considered medically safe within a 24-hour period;"

Renumber the clauses in sequence

Page 95, line 19, delete "or"

Page 95, after line 19, insert:

"(2) a resident for the last five years of one or more subareas, such as census tracts or neighborhoods, that experienced a disproportionately large amount of cannabis enforcement as determined by the study conducted by the board pursuant to section 342.02, paragraph (b), and reported in the preliminary report, final report, or both; or"

Page 95, line 20, delete "(2)" and insert "(3)"

Page 102, before line 3, insert:

"Section 1. Minnesota Statutes 2020, section 273.13, subdivision 24, is amended to read:

Subd. 24. **Class 3.** Commercial and industrial property and utility real and personal property is class 3a.

(1) Except as otherwise provided, each parcel of commercial, industrial, or utility real property has a classification rate of 1.5 percent of the first tier of market value, and 2.0 percent of the remaining market value. In the case of contiguous parcels of property owned by the same person or entity, only the value equal to the first-tier value of the contiguous parcels qualifies for the reduced classification rate, except that contiguous parcels owned by the same person or entity shall be eligible for the first-tier value classification rate on each separate business operated by the owner of the property, provided the business is housed in a separate structure. For the purposes of this subdivision, the first tier means the first \$150,000 of market value. Real property owned in fee by a utility for transmission line right-of-way shall be classified at the classification rate for the higher tier.

For purposes of this subdivision, parcels are considered to be contiguous even if they are separated from each other by a road, street, waterway, or other similar intervening type of property. Connections between parcels that consist of power lines or pipelines do not cause the parcels to be contiguous. Property owners who have contiguous parcels of property that constitute separate businesses that may qualify for the first-tier classification rate shall notify the assessor by July 1, for treatment beginning in the following taxes payable year.

(2) All personal property that is: (i) part of an electric generation, transmission, or distribution system; or (ii) part of a pipeline system transporting or distributing water, gas, crude oil, or petroleum products; and (iii) not described in clause (3), and all railroad operating property has a classification rate as provided under clause (1) for the first tier of market value and the remaining market value. In the case of multiple parcels in one county that are owned by one person or entity, only one first tier amount is eligible for the reduced rate.

(3) The entire market value of personal property that is: (i) tools, implements, and machinery of an electric generation, transmission, or distribution system; (ii) tools, implements, and machinery of a pipeline system transporting or distributing water, gas, crude oil, or petroleum products; or (iii) the mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings, has a classification rate as provided under clause (1) for the remaining market value in excess of the first tier.

(4) Property used for raising, cultivating, processing, or storage of adult-use cannabis, adult-use cannabis products, medical cannabis, or medical cannabis products for sale has a classification rate as provided under clause (1) for the first tier of market value and the remaining market value. As used in this paragraph, "adult-use cannabis" has the meaning given in section 342.01, subdivision 2; "adult-use cannabis products" has the meaning given in section 342.01, subdivision 4; "medical cannabis" has the meaning given in section 342.01, subdivision 31; and "medical cannabis products" has the meaning given in section 342.01, subdivision 34.

**EFFECTIVE DATE.** This section is effective beginning with property taxes payable in 2023 and thereafter.

Sec. 2. Minnesota Statutes 2020, section 275.025, subdivision 2, is amended to read:

Subd. 2. **Commercial-industrial tax capacity.** For the purposes of this section, "commercial-industrial tax capacity" means the tax capacity of all taxable property classified as class 3 or class 5(1) under section 273.13, excluding:

(1) the tax capacity attributable to the first \$100,000 of market value of each parcel of commercial-industrial property as defined under section 273.13, subdivision 24, clauses (1) ~~and~~, (2), and (4);

(2) electric generation attached machinery under class 3; and

(3) property described in section 473.625.

County commercial-industrial tax capacity amounts are not adjusted for the captured net tax capacity of a tax increment financing district under section 469.177, subdivision 2, the net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425, or fiscal disparities contribution and distribution net tax capacities under chapter 276A or 473F. For purposes of this subdivision, the procedures for determining eligibility for tier 1 under section 273.13, subdivision 24, clauses (1) and (2), shall apply in determining the portion of a property eligible to be considered within the first \$100,000 of market value.

**EFFECTIVE DATE.** This section is effective beginning with property taxes payable in 2023 and thereafter."

Page 102, line 12, strike "medical cannabis manufacturers" and insert "cannabis licensees"

Page 102, line 21, strike "medical cannabis manufacturers" and insert "cannabis licensees"

Page 105, delete section 5 and insert:

"Sec. 7. **[295.813] TAX RELIEF ACCOUNT.**

Subdivision 1. **Purpose.** The purpose of this account is to provide offsetting tax relief through rate and fee reductions with a priority given to lower tax rates and fees of lower and middle income taxpayers.

Subd. 2. **Account creation.** The tax relief account is hereby established in the special revenue fund.

Subd. 3. **Certification of revenues.** (a) Based on the closing balance of the most recent fiscal year, beginning in fiscal year 2023, if the commissioner of management and budget determines that the amount of funds raised by the tax imposed under section 295.81 exceeds the following net general fund expenditures related to the ongoing administration of recreational, adult-use cannabis, the amount in excess must be transferred into the tax relief account:

(1) the reduction in revenues resulting from the income and corporate tax deductions under sections 290.0132, subdivision 29, and 290.0134, subdivision 19, that are attributable to nonmedical cannabis businesses licensed under chapter 342;

(2) the appropriations to the Cannabis Management Board;

(3) the appropriations to the Department of Agriculture;

(4) the appropriations to the Cannabis Expungement Board;

(5) the appropriations to the Department of Commerce;

(6) the appropriations to the Department of Education;

(7) the appropriations to the Department of Employment and Economic Development;

(8) the appropriations to the Department of Health;

(9) the appropriations to the Department of Human Services;

(10) the appropriations to the Department of Labor and Industry;

(11) the appropriations to the Department of Natural Resources;

(12) the appropriations to the Office of Higher Education;

(13) the appropriations to the Minnesota Pollution Control Agency;

(14) the appropriations to the Department of Public Safety;

(15) the appropriations to the Department of Revenue;

(16) the appropriations to the supreme court; and

(17) \$9,000,000 in fiscal year 2024 and \$16,000,000 in fiscal year 2025 are designated for transfer from the general fund to the substance use disorder treatment and prevention grant account.

(b) On or before August 30 each year, the commissioner of revenue must estimate the reduction in revenues from the income and corporate tax deductions under sections 290.0132, subdivision 29, and 290.0134, subdivision 19, that are attributable to nonmedical cannabis businesses licensed under chapter 342, for the previous fiscal year, and certify that amount to the commissioner of management and budget.

(c) By September 15 each year, the commissioner of management and budget must certify to the commissioner of revenue the amount available for transfer.

Subd. 4. **Transfer to tax relief account.** The amount certified under subdivision 3 is appropriated to the commissioner of revenue for transfer to the tax relief account.

**EFFECTIVE DATE.** This section is effective January 1, 2022."

Page 190, line 25, delete "\$8,822,000" and insert "\$8,882,000"

Page 190, line 27, delete "\$21,674,000" and insert "\$22,274,000"

Page 190, line 28, delete "\$29,668,000" and insert "\$30,672,000"

Page 191, after line 3, insert:

"(d) Of the base established in paragraph (a), \$600,000 in fiscal year 2024 and \$1,004,000 in fiscal year 2025 are for the administration of substance use disorder treatment and prevention grants."

Page 191, after line 18, insert:

"Subd. 5. **Department of Corrections.** An appropriation to the commissioner of corrections for correctional institutions is reduced by \$177,000 in fiscal year 2022 and \$345,000 in fiscal year 2023. The base for this appropriation is reduced by \$407,000 in fiscal year 2024 and \$458,000 in fiscal year 2025."

Page 191, line 19, delete "\$59,000" and insert "\$36,000"

Page 192, line 1, delete "\$6,949,000" and insert "\$6,235,000" and delete "\$5,452,000" and insert "\$6,231,000"

Page 192, line 3, delete "\$8,298,000" and insert "\$9,077,000"

Page 192, line 4, delete "\$8,353,000" and insert "\$9,132,000"

Page 192, delete lines 5 and 6

Reletter the paragraphs in sequence

Page 192, line 26, delete "\$838,000" and insert "\$1,232,000"

Page 193, line 11, after the period, insert "This is a onetime appropriation."

Page 193, after line 18, insert:

"Subd. 13. **Pollution Control Agency.** (a) \$518,000 in fiscal year 2022 and \$495,000 in fiscal year 2023 are appropriated from the general fund to the commissioner of the Pollution Control Agency for the purposes of this act. The base for this appropriation is \$64,000 in fiscal year 2024 and \$0 in fiscal year 2025 and beyond.

(b) Of the amount appropriated under paragraph (a), \$390,000 in fiscal year 2022 and \$431,000 in fiscal year 2023 are for rulemaking. The base for this appropriation is \$0 in fiscal year 2024 and beyond.

(c) Of the amount appropriated under paragraph (a), \$64,000 in fiscal year 2022 is for wastewater staff. This is a onetime appropriation.

(d) Of the amount appropriated under paragraph (a), \$64,000 in fiscal year 2022 and \$64,000 in fiscal year 2023 are for small business assistance staff. The base for this appropriation is \$64,000 in fiscal year 2024 and \$0 in fiscal year 2025 and beyond."

Renumber the subdivisions in sequence

Page 194, after line 18, insert:

"Sec. 2. **BUDGET RESERVE REDUCTION AND TRANSFER.**

(a) On July 1, 2021, the balance of the budget reserve account established in Minnesota Statutes, section 16A.152, subdivision 1a, is reduced by \$23,235,000. This reduction is in addition to the reductions authorized in Laws 2019, First Special Session chapter 6, article 11, section 17, and 2021 House File 991, article 13, section 25.

(b) On July 1, 2023, the commissioner of management and budget shall transfer \$23,235,000 from the general fund to the budget reserve account established in Minnesota Statutes, section 16A.152, subdivision 1a."

Renumber the sections in sequence

Correct the title numbers accordingly

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Nelson, M., from the Committee on State Government Finance and Elections to which was referred:

H. F. No. 1758, A bill for an act relating to retirement; Public Employees Retirement Association; making administrative changes to the retirement plans administered by the association; amending Minnesota Statutes 2020, sections 353.01, subdivisions 16, 28; 353.014, subdivision 4; 353.0162; 353.27, subdivision 12; 353.30, subdivisions 1a, 1b, 1c; 353.335; 353.34, subdivision 2; 353D.071, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
MINNESOTA STATE RETIREMENT SYSTEM PROVISIONS

Section 1. Minnesota Statutes 2020, section 352D.06, subdivision 1, is amended to read:

Subdivision 1. **Annuity; reserves.** (a) When a participant attains at least age 55, terminates from covered service, and applies for a retirement annuity, the cash value of the participant's shares must be transferred to the general state employees retirement fund and be used to provide an annuity for the participant based upon the participant's age when the benefit begins to accrue.

(b) Except for participants described in paragraph (c) or (d), the monthly amount of the annuity must be determined using the actuarial assumptions in effect for the general state employees retirement plan under section 356.215 on the accrual date.

~~(c) For any participant who retires on or after July 1, 2017, and before July 1, 2020, when the participant is at least age 63 or has had at least 26 years of covered service, the monthly amount of the annuity must be determined using the actuarial assumptions in effect for the general state employees retirement plan under section 356.215 on June 30, 2016.~~

~~(d) (c) For any participant who terminates employment on or after July 1, 2020, and before July 1, 2021, if the participant was at least age 63 or had at least 26 years of covered service as of June 30, 2020, the monthly amount of the annuity must be determined using the actuarial assumptions in effect for the general state employees retirement plan under section 356.215 on June 30, 2016.~~

(d) For any participant who (1) terminates employment on or after June 1, 2021, and before July 1, 2022, (2) is an employee of the house of representatives, the senate, or the Legislative Coordinating Commission at the time the employee terminates employment, and (3) on June 30, 2020, was at least age 63 or had at least 26 years of covered service, the monthly amount of the annuity must be determined using the actuarial assumptions in effect for the general state employees retirement plan under section 356.215 on June 30, 2016.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2020, section 356.415, subdivision 1f, is amended to read:

Subd. 1f. **Annual postretirement adjustments; Minnesota State Retirement System judges retirement plan.** (a) Recipients of a retirement annuity, disability benefit, or survivor benefit ~~recipients of~~ from the judges retirement plan are entitled to an annual postretirement adjustment, effective as of each January 1 ~~if the definition of funding stability under paragraph (b) has not been met~~, as follows:

(1) through December 31, 2021, a postretirement increase of 1.75 percent must be applied each year to the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 12 full months as of the June 30 of the calendar year immediately before the adjustment; ~~and~~

(2) through December 31, 2021, for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least one full month, but less than 12 full months as of the June 30 of the calendar year immediately before the adjustment, an annual postretirement increase of 1/12 of 1.75 percent for each month that the person has been receiving an annuity or benefit must be applied to the amount of the monthly annuity or benefit ~~of each annuitant or benefit recipient.~~

(3) effective January 1, 2022, and thereafter, a postretirement increase of 1.5 percent must be applied each year to the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 12 full months as of the June 30 of the calendar year immediately before the adjustment; and

(4) effective January 1, 2022, and thereafter, for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least one full month, but less than 12 full months as of the June 30 of the calendar year immediately before the adjustment, an annual postretirement increase of 1/12 of 1.5 percent for each month that the person has been receiving an annuity or benefit must be applied to the amount of the monthly annuity or benefit.

~~(b) Increases under paragraph (a) terminate on December 31 of the calendar year in which two prior consecutive actuarial valuations prepared by the approved actuary under sections 356.214 and 356.215 and the standards for actuarial work promulgated by the Legislative Commission on Pensions and Retirement indicates that the market value of assets of the judges retirement plan equals or exceeds 70 percent of the actuarial accrued liability of the retirement plan and increases under paragraph (c) begin after that date.~~

~~(c) Retirement annuity, disability benefit, or survivor benefit recipients of the judges retirement plan are entitled to a postretirement adjustment annually, effective as of each January 1 if the definition of funding stability under paragraph (d) has not been met, as follows:~~

~~(1) a postretirement increase of two percent must be applied each year to the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 12 full months as of the June 30 of the calendar year immediately before the adjustment; and~~

~~(2) for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least one full month, but less than 12 full months as of the June 30 of the calendar year immediately before the adjustment, an annual postretirement increase of 1/12 of two percent for each month that the person has been receiving an annuity or benefit must be applied to the amount of the monthly annuity or benefit of the annuitant or benefit recipient.~~

~~(d) Increases under paragraph (c) terminate on December 31 of the calendar year in which two prior consecutive actuarial valuations prepared by the approved actuary under section 356.214 and the standards for actuarial work promulgated by the Legislative Commission on Pensions and Retirement indicate that the market value of assets of the judges retirement plan equals or exceeds 90 percent of the actuarial accrued liability of the retirement plan and increases under paragraph (e) begin after that date.~~

~~(e) Retirement annuity, disability benefit, or survivor benefit recipients of the judges retirement plan are entitled to a postretirement adjustment annually, effective as of each January 1, as follows:~~

~~(1) a postretirement increase of 2.5 percent must be applied each year to the monthly annuity or benefit of each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least 12 full months as of the June 30 of the calendar year immediately before the adjustment; and~~

~~(2) for each annuitant or benefit recipient who has been receiving an annuity or a benefit for at least one full month, but less than 12 full months as of the June 30 of the calendar year immediately before the adjustment, an annual postretirement increase of 1/12 of 2.5 percent for each month that the person has been receiving an annuity or benefit must be applied to the amount of the monthly annuity or benefit of the annuitant or benefit recipient.~~

~~(b)~~ (b) An increase in annuity or benefit payments under this subdivision must be made automatically unless written notice is filed by the annuitant or benefit recipient with the executive director of the applicable covered retirement plan requesting that the increase not be made.

**EFFECTIVE DATE.** This section is effective June 30, 2021.

ARTICLE 2  
FEDERAL COMPLIANCE AFFECTING MSRS AND  
PERA ELIGIBILITY FOR CERTAIN VISA HOLDERS

Section 1. Minnesota Statutes 2020, section 352.01, subdivision 2b, is amended to read:

Subd. 2b. **Excluded employees.** "State employee" does not include:

(1) persons who are:

(i) students employed by the University of Minnesota, or within the Minnesota State Colleges and Universities system, unless approved for coverage by the Board of Regents of the University of Minnesota or the Board of Trustees of the Minnesota State Colleges and Universities, whichever applies;

(ii) employed as interns for a period not to exceed six months unless included under subdivision 2a, paragraph (a), clause (8);

(iii) employed as trainee employees unless included under subdivision 2a, paragraph (a), clause (8); or

(iv) employed in the student worker classification as designated by Minnesota Management and Budget;

(2) employees who are:

(i) eligible for membership in the state Teachers Retirement Association, unless the person is an employee of the Department of Education who elected to be covered by the general state employees retirement plan of the Minnesota State Retirement System instead of the Teachers Retirement Association;

(ii) employees of the state who, in any year, were credited with 12 months of allowable service as a public school teacher and, as such, are members of a retirement plan governed by chapter 354 or 354A unless the employment is incidental employment as a state employee that is not covered by a retirement plan governed by chapter 354 or 354A;

(iii) employees of the state who are employed by the Board of Trustees of the Minnesota State Colleges and Universities in an unclassified position that is listed in section 43A.08, subdivision 1, clause (9);

(iv) persons employed by the Board of Trustees of the Minnesota State Colleges and Universities who elected retirement coverage other than by the general state employees retirement plan of the Minnesota State Retirement System under Minnesota Statutes 1994, section 136C.75;

(v) officers or enlisted personnel in the National Guard or in the naval militia who are assigned to permanent peacetime duty and who are or are required to be members of a federal retirement system under federal law;

(vi) persons employed by the Department of Military Affairs as full-time firefighters and who, as such, are members of the public employees police and fire retirement plan;

(vii) members of the State Patrol retirement plan under section 352B.011, subdivision 10;

(viii) off-duty police officers while employed by the Metropolitan Council and persons employed as full-time police officers by the Metropolitan Council and who, as such, are members of the public employees police and fire retirement plan; and

(ix) employees of the state who have elected to transfer account balances derived from state service to the unclassified state employees retirement program under section 352D.02, subdivision 1d;

(3) employees of the University of Minnesota who are excluded from coverage by action of the Board of Regents;

(4) election judges and persons who are employed solely to administer elections;

(5) persons who are:

(i) engaged in public work for the state but who are employed by contractors when the performance of the contract is authorized by the legislature or other competent authority;

(ii) employed to perform professional services where the service is incidental to the person's regular professional duties and where compensation is paid on a per diem basis; or

(iii) compensated on a fee payment basis or as an independent contractor;

(6) persons who are employed:

(i) on a temporary basis by the house of representatives, the senate, or a legislative commission or agency under the jurisdiction of the Legislative Coordinating Commission;

(ii) as a temporary employee on or after July 1 for a period ending on or before October 15 of that calendar year for the Minnesota State Agricultural Society or the Minnesota State Fair, or as an employee at any time for a special event held on the fairgrounds;

(iii) by the executive branch as a temporary employee in the classified service or as an executive branch temporary employee in the unclassified service if appointed for a definite period not to exceed six months, and if employment is less than six months, then in any 12-month period;

(iv) by the adjutant general if employed on an unlimited intermittent or temporary basis in the classified service or in the unclassified service for the support of Army or Air National Guard training facilities;

(v) by a state or federal program for training or rehabilitation as a temporary employee if employed for a limited period from an area of economic distress and if other than a skilled or supervisory personnel position or other than a position that has civil service status covered by the retirement system; and

(vi) by the Metropolitan Council or a statutory board of the Metropolitan Council where the members of the board are appointed by the Metropolitan Council as a temporary employee if the appointment does not exceed six months;

(7) receivers, jurors, notaries public, and court employees who are not in the judicial branch as defined in section 43A.02, subdivision 25, except referees and adjusters employed by the Department of Labor and Industry;

(8) patient and inmate help who perform services in state charitable, penal, and correctional institutions, including a Minnesota Veterans Home;

(9) employees of the Sibley House Association;

(10) persons who are:

(i) members of any state board or commission who serve the state intermittently and are paid on a per diem basis, the secretary, secretary-treasurer, and treasurer of those boards if their compensation is \$5,000 or less per year, or, if they are legally prohibited from serving more than three years, and the board of managers of the State Agricultural Society and its treasurer unless the treasurer is also its full-time secretary;

(ii) examination monitors employed by a department, agency, commission, or board of the state to conduct examinations that are required by law; or

(iii) appointees serving as a member of a fact-finding commission or an adjustment panel, an arbitrator, or a labor referee under chapter 179;

(11) emergency employees who are in the classified service, but if an emergency employee, within the same pay period, becomes a provisional or probationary employee on other than a temporary basis, the employee must be considered a "state employee" retroactively to the beginning of the pay period;

(12) persons who are members of a religious order who are excluded from coverage under the federal Old Age, Survivors, Disability, and Health Insurance Program for the performance of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended, if no irrevocable election of coverage has been made under section 3121(r) of the Internal Revenue Code of 1986, as amended;

(13) members of trades who are employed by the successor to the Metropolitan Waste Control Commission, who have trade union pension plan coverage under a collective bargaining agreement, and who are first employed after June 1, 1977;

(14) for the first three years of employment, foreign citizens who are ~~employed under a work permit of less than three years or under an H-1b visa or a J-1 visa that is initially valid for less than three years of employment, unless notice of a visa extension which allows them to work for three or more years as of the date that the extension is granted and is supplied to the retirement plan, in which case the person is eligible for coverage from the date of the extension~~ state employees under subdivision 2 or included employees under subdivision 2a, unless the foreign citizen is:

(i) an H-1B, H-1B1, or E-3 status holder;

(ii) an employee legally authorized to work in the United States for three years or more; or

(iii) an employee otherwise required to participate under federal law; and

(15) reemployed annuitants of the general state employees retirement plan, the military affairs personnel retirement plan, the transportation department pilots retirement plan, the state fire marshal employees retirement plan, or the correctional state employees retirement plan during the course of that reemployment.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2020, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. **Excluded employees.** (a) The following public employees are not eligible to participate as members of the association with retirement coverage by the general employees retirement plan, the local government correctional employees retirement plan under chapter 353E, or the public employees police and fire retirement plan:

(1) persons whose annual salary from one governmental subdivision never exceeds an amount, stipulated in writing in advance, of \$5,100 if the person is not a school district employee or \$3,800 if the person is a school year employee. If annual compensation from one governmental subdivision to an employee exceeds the stipulated amount in a calendar year or a school year, whichever applies, after being stipulated in advance not to exceed the applicable amount, the stipulation is no longer valid and contributions must be made on behalf of the employee under section 353.27, subdivision 12, from the first month in which the employee received salary exceeding \$425 in a month;

(2) public officers who are elected to a governing body, city mayors, or persons who are appointed to fill a vacancy in an elected office of a governing body, whose term of office commences on or after July 1, 2002, for the service to be rendered in that elected position;

(3) election judges and persons employed solely to administer elections;

(4) patient and inmate personnel who perform services for a governmental subdivision;

(5) except as otherwise specified in subdivision 12a, employees who are employed solely in a temporary position as defined under subdivision 12a, and employees who resign from a nontemporary position and accept a temporary position within 30 days of that resignation in the same governmental subdivision;

(6) employees who are employed by reason of work emergency caused by fire, flood, storm, or similar disaster, but if the person becomes a probationary or provisional employee within the same pay period, other than on a temporary basis, the person is a "public employee" retroactively to the beginning of the pay period;

(7) employees who by virtue of their employment in one governmental subdivision are required by law to be a member of and to contribute to any of the plans or funds administered by the Minnesota State Retirement System, the Teachers Retirement Association, or the St. Paul Teachers Retirement Fund Association, but this exclusion must not be construed to prevent a person from being a member of and contributing to the Public Employees Retirement Association and also belonging to and contributing to another public pension plan or fund for other service occurring during the same period of time, and a person who meets the definition of "public employee" in subdivision 2 by virtue of other service occurring during the same period of time becomes a member of the association unless contributions are made to another public retirement plan on the salary based on the other service or to the Teachers Retirement Association by a teacher as defined in section 354.05, subdivision 2;

(8) persons who are members of a religious order and are excluded from coverage under the federal Old Age, Survivors, Disability, and Health Insurance Program for the performance of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended, if no irrevocable election of coverage has been made under section 3121(r) of the Internal Revenue Code of 1954, as amended;

(9) persons who are:

(i) employed by a governmental subdivision who have not reached the age of 23 and who are enrolled on a full-time basis to attend or are attending classes on a full-time basis at an accredited school, college, or university in an undergraduate, graduate, or professional-technical program, or at a public or charter high school;

(ii) employed as resident physicians, medical interns, pharmacist residents, or pharmacist interns and are serving in a degree or residency program in a public hospital or in a public clinic; or

(iii) students who are serving for a period not to exceed five years in an internship or a residency program that is sponsored by a governmental subdivision, including an accredited educational institution;

(10) persons who hold a part-time adult supplementary technical college license who render part-time teaching service in a technical college;

(11) for the first three years of employment, foreign citizens who are employed by a governmental subdivision, except that the following foreign citizens ~~are~~ must be considered included employees under subdivision 2a:

(i) H-1B, H-1B1, and E-3 status holders;

~~(ii)~~ (ii) employees of Hennepin County or Hennepin Healthcare System, Inc.;

~~(iii)~~ (iii) employees legally authorized to work in the United States for three years or more; and

~~(iv)~~ (iv) employees otherwise required to participate under federal law;

(12) public hospital employees who elected not to participate as members of the association before 1972 and who did not elect to participate from July 1, 1988, to October 1, 1988;

(13) except as provided in section 353.86, volunteer ambulance service personnel, as defined in subdivision 35, but persons who serve as volunteer ambulance service personnel may still qualify as public employees under subdivision 2 and may be members of the Public Employees Retirement Association and participants in the general employees retirement plan or the public employees police and fire plan, whichever applies, on the basis of compensation received from public employment service other than service as volunteer ambulance service personnel;

(14) except as provided in section 353.87, volunteer firefighters, as defined in subdivision 36, engaging in activities undertaken as part of volunteer firefighter duties, but a person who is a volunteer firefighter may still qualify as a public employee under subdivision 2 and may be a member of the Public Employees Retirement Association and a participant in the general employees retirement plan or the public employees police and fire plan, whichever applies, on the basis of compensation received from public employment activities other than those as a volunteer firefighter;

(15) employees in the building and construction trades, as follows:

(i) pipefitters and associated trades personnel employed by Independent School District No. 625, St. Paul, with coverage under a collective bargaining agreement by the pipefitters local 455 pension plan who were either first employed after May 1, 1997, or, if first employed before May 2, 1997, elected to be excluded under Laws 1997, chapter 241, article 2, section 12;

(ii) electrical workers, plumbers, carpenters, and associated trades personnel employed by Independent School District No. 625, St. Paul, or the city of St. Paul, with coverage under a collective bargaining agreement by the electrical workers local 110 pension plan, the plumbers local 34 pension plan, or the carpenters local 322 pension plan who were either first employed after May 1, 2000, or, if first employed before May 2, 2000, elected to be excluded under Laws 2000, chapter 461, article 7, section 5;

(iii) bricklayers, allied craftworkers, cement masons, glaziers, glassworkers, painters, allied tradesworkers, and plasterers employed by the city of St. Paul or Independent School District No. 625, St. Paul, with coverage under a collective bargaining agreement by the bricklayers and allied craftworkers local 1 pension plan, the cement masons local 633 pension plan, the glaziers and glassworkers local 1324 pension plan, the painters and allied trades local 61

pension plan, or the plasterers local 265 pension plan who were either first employed after May 1, 2001, or if first employed before May 2, 2001, elected to be excluded under Laws 2001, First Special Session chapter 10, article 10, section 6;

(iv) plumbers employed by the Metropolitan Airports Commission, with coverage under a collective bargaining agreement by the plumbers local 34 pension plan, who were either first employed after May 1, 2001, or if first employed before May 2, 2001, elected to be excluded under Laws 2001, First Special Session chapter 10, article 10, section 6;

(v) electrical workers or pipefitters employed by the Minneapolis Park and Recreation Board, with coverage under a collective bargaining agreement by the electrical workers local 292 pension plan or the pipefitters local 539 pension plan, who were first employed before May 2, 2015, and elected to be excluded under Laws 2015, chapter 68, article 11, section 5;

(vi) laborers and associated trades personnel employed by the city of St. Paul or Independent School District No. 625, St. Paul, who are designated as temporary employees with coverage under a collective bargaining agreement by a multiemployer plan as defined in section 356.27, subdivision 1, who were either first employed on or after June 1, 2018, or if first employed before June 1, 2018, elected to be excluded under Laws 2018, chapter 211, article 16, section 13; and

(vii) employees who are trades employees as defined in section 356.27, subdivision 1, first hired on or after July 1, 2020, by the city of St. Paul or Independent School District No. 625, St. Paul, except for any trades employee for whom contributions are made under section 356.24, subdivision 1, clause (8), (9), or (10), by either employer to a multiemployer plan as defined in section 356.27, subdivision 1;

(16) employees who are hired after June 30, 2002, solely to fill seasonal positions under subdivision 12b which are limited in duration by the employer to a period of six months or less in each year of employment with the governmental subdivision;

(17) persons who are provided supported employment or work-study positions by a governmental subdivision and who participate in an employment or industries program maintained for the benefit of these persons where the governmental subdivision limits the position's duration to up to five years, including persons participating in a federal or state subsidized on-the-job training, work experience, senior citizen, youth, or unemployment relief program where the training or work experience is not provided as a part of, or for, future permanent public employment;

(18) independent contractors and the employees of independent contractors;

(19) reemployed annuitants of the association during the course of that reemployment;

(20) persons appointed to serve on a board or commission of a governmental subdivision or an instrumentality thereof; and

(21) persons employed as full-time fixed-route bus drivers by the St. Cloud Metropolitan Transit Commission who are members of the International Brotherhood of Teamsters Local 638 and who are, by virtue of that employment, members of the International Brotherhood of Teamsters Central States pension plan.

(b) Any person performing the duties of a public officer in a position defined in subdivision 2a, paragraph (a), clause (3), is not an independent contractor and is not an employee of an independent contractor.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 3. **MSRS: SERVICE CREDIT PURCHASE PERMITTED FOR PERIOD OF EMPLOYMENT AS AN EXCLUDED EMPLOYEE.**

Subdivision 1. Definitions. For purposes of this section, the following definitions shall apply, unless the context indicates a different meaning is intended:

(1) "effective date" means the effective date of section 1;

(2) "eligible person" means a person who:

(i) is employed in state service on the effective date or terminated employment in state service during the lookback period;

(ii) was an excluded employee for any period of employment before the effective date; and

(iii) before the effective date, became eligible for coverage under Minnesota Statutes 2020, section 352.01, subdivision 2b, clause (14), or, on the effective date, became a state employee under the amendment made by section 1;

(3) "excluded employee" means a person who was excluded from coverage under Minnesota Statutes 2020, section 352.01, subdivision 2b, clause (14);

(4) "executive director" means the executive director of the Minnesota State Retirement System; and

(5) "lookback period" means the period that begins twelve months before the effective date of section 1 and ends on the effective date.

Subd. 2. Authorizing the purchase of service credit. (a) Notwithstanding any law to the contrary, the executive director must credit a person with allowable service credit for any period of employment during which contributions were not made for the person because the person was considered an excluded employee, if the person is an eligible person and the executive director receives the payment described in paragraph (b) or (c), as applicable.

(b) The eligible person or the employer, on behalf of the eligible person, may, no later than August 31, 2021, pay the missed employee contributions for any period of employment during which contributions were not made for the person because the person was considered an excluded employee, by transmitting the amount of the missed employee contributions in a lump sum to the Minnesota State Retirement System.

(c) The eligible person may elect to pay missed employee contributions for less than the entire period of employment during which contributions were not made. The period of employment elected must be consecutive payroll periods and may be payroll periods during which the eligible person received the lowest salary. Upon payment of the missed employee contributions for the period of employment elected, the executive director must credit the eligible person with a proportionate amount of allowable service credit.

(d) If the missed employee contributions are paid, the eligible person's employer must, no later than September 30, 2021, pay the missed employer contributions plus interest, compounded annually, at the applicable annual rate or rates specified in Minnesota Statutes, section 356.59, subdivision 2, on both the employee contributions and the employer contributions, from the end of the year in which the contributions would have been made to the date on which the payment is made, by transmitting the amount of the missed employer contributions plus interest in a lump sum to the Minnesota State Retirement System. If the eligible person elects to pay missed employee contributions for less than the entire period of employment as permitted under paragraph (c), the employer must pay the missed employer contributions plus interest on both the employee contributions and the employer contributions for the payroll periods elected by the eligible person.

(e) The executive director shall notify the eligible person's employer regarding the amount required under paragraph (d) and the basis for determining the amount. If the employer fails to make all or any portion of the payment required by paragraph (d), the executive director shall follow the procedures in Minnesota Statutes, section 352.04, subdivision 8, paragraph (b), to collect the unpaid amount.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

### ARTICLE 3 PUBLIC EMPLOYEES RETIREMENT ASSOCIATION PROVISIONS

Section 1. Minnesota Statutes 2020, section 353.01, subdivision 16, is amended to read:

Subd. 16. **Allowable service; limits and computation.** (a) "Allowable service" means:

(1) service during years of actual membership in the course of which employee deductions were withheld from salary and contributions were made at the applicable rates under section 353.27, 353.65, or 353E.03;

(2) periods of service covered by payments in lieu of salary deductions under sections 353.27, subdivisions 12 and 12a, and 353.35;

(3) service in years during which the public employee was not a member but for which the member later elected, while a member, to obtain credit by making payments to the fund as permitted by any law then in effect;

(4) a period of authorized leave of absence during which the employee receives pay as specified in subdivision 10, paragraph (a), clause (4) or (5), from which deductions for employee contributions are made, deposited, and credited to the fund;

(5) a period of authorized leave of absence without pay, or with pay that is not included in the definition of salary under subdivision 10, paragraph (a), clause (4) or (5), for which salary deductions are not authorized, and for which a member obtained service credit for up to 12 months of the authorized leave period by payment under section 353.0162, to the fund made in place of salary deductions;

~~(6) a periodic, repetitive leave that is offered to all employees of a governmental subdivision. The leave program may not exceed 208 hours per annual normal work cycle as certified to the association by the employer. A participating member obtains service credit by making employee contributions in an amount or amounts based on the member's average salary, excluding overtime pay, that would have been paid if the leave had not been taken. The employer shall pay the employer and additional employer contributions on behalf of the participating member. The employee and the employer are responsible to pay interest on their respective shares at the applicable rate or rates specified in section 356.59, subdivision 3, compounded annually, from the end of the normal cycle until full payment is made. An employer shall also make the employer and additional employer contributions, plus interest at the applicable rate or rates specified in section 356.59, subdivision 3, compounded annually, on behalf of an employee who makes employee contributions but terminates public service. The employee contributions must be made within one year after the end of the annual normal working cycle or within 30 days after termination of public service, whichever is sooner. The executive director shall prescribe the manner and forms to be used by a governmental subdivision in administering a periodic, repetitive leave. Upon payment, the member must be granted allowable service credit for the purchased period;~~

~~(7)~~ (6) an authorized temporary or seasonal layoff under subdivision 12, limited to three months allowable service per authorized temporary or seasonal layoff in one calendar year. An employee who has received the maximum service credit allowed for an authorized temporary or seasonal layoff must return to public service and must obtain a minimum of three months of allowable service subsequent to the layoff in order to receive allowable service for a subsequent authorized temporary or seasonal layoff;

~~(8)~~ (7) a period of uniformed services leave purchased under section 353.014;

~~(9)~~ (8) a period of military service purchased under section 353.0141; or

~~(10)~~ (9) a period ~~specified~~ of reduced salary purchased under section 353.0162.

(b) No member may receive more than 12 months of allowable service credit in a year either for vesting purposes or for benefit calculation purposes.

(c) For an active member who was an active member of the former Minneapolis Firefighters Relief Association on December 29, 2011, "allowable service" is the period of service credited by the Minneapolis Firefighters Relief Association as reflected in the transferred records of the association up to December 30, 2011, and the period of service credited under paragraph (a), clause (1), after December 30, 2011. For an active member who was an active member of the former Minneapolis Police Relief Association on December 29, 2011, "allowable service" is the period of service credited by the Minneapolis Police Relief Association as reflected in the transferred records of the association up to December 30, 2011, and the period of service credited under paragraph (a), clause (1), after December 30, 2011.

**EFFECTIVE DATE.** This section is effective July 1, 2021.

Sec. 2. Minnesota Statutes 2020, section 353.01, subdivision 28, is amended to read:

Subd. 28. **Retirement.** (a) "Retirement" means the payment of an annuity by the association. A right to retirement is subject to termination of public service under subdivision 11a. A right to retirement requires a complete and continuous separation for 30 days from employment as a public employee.

(b) Notwithstanding the 30-day separation requirement under paragraph (a), a member of a defined benefit plan under this chapter, who also participates in the public employees defined contribution plan under chapter 353D for other public service, may be paid, if eligible, a retirement annuity from the defined benefit plan while participating in the defined contribution plan. A retirement annuity is also payable from a defined benefit plan under this chapter to an eligible member who terminates public service and who, within 30 days of separation, takes office as an elected official of a governmental subdivision.

(c) Elected officials included in association membership under subdivisions 2a and 2d meet the 30-day separation requirement under this section by resigning from office before filing for a subsequent term in the same office and by remaining completely and continuously separated from that office for 30 days prior to the date of the election.

(d) The 30-day separation requirement under paragraph (a) does not apply to a retirement annuity payable from a defined benefit plan under this chapter to a public employee if the public employee:

(1) is covered by a covered retirement plan under section 356.30, subdivision 3;

(2) is eligible for a combined service annuity under section 356.30, subdivision 1; and

(3) has entered into a phased retirement agreement or its equivalent permitted by the laws applicable to the covered retirement plan with coverage of the last period of public service.

**EFFECTIVE DATE.** This section is effective July 1, 2021.

Sec. 3. Minnesota Statutes 2020, section 353.014, subdivision 4, is amended to read:

Subd. 4. **Time period for making member's payment.** Payment of the employee equivalent contributions must be made during a period that begins with the date on which the member returns to public employment and that is three times the length of the military leave period, or within five years of the date on which the member returns to public employment, whichever is less. If the payment period is less than ~~one year~~ three years, payment of the employee equivalent contributions may be made within ~~one year~~ three years of the date of the member's discharge from service in the uniformed services. Payment may not be accepted after ~~30 days~~ six months following termination of public service under section 353.01, subdivision 11a.

**EFFECTIVE DATE.** This section is effective July 1, 2021, except the amendments changing one year to three years are effective the day following final enactment.

Sec. 4. Minnesota Statutes 2020, section 353.0162, is amended to read:

**353.0162 SALARY CREDIT PURCHASE FOR PERIODS OF REDUCED SALARY.**

(a) A member may purchase differential salary credit as described in paragraph (c) for a period ~~specified of reduced salary as described in paragraph (b).~~

(b) The ~~applicable period is~~ of reduced salary must be a period occurring entirely within one school year, for school year employees, or one calendar year, for all other employees, during which the member ~~is receiving~~ receives no salary or a reduced salary from the employer while the member is:

(1) receiving workers' compensation payments related to the member's service to the public employer;

(2) on an authorized leave of absence, ~~except that if the authorized leave of absence exceeds 12 months, the period of leave for which differential salary credit may be purchased is limited to 12 months; or~~

(3) on an authorized leave of absence as a result of a budgetary or salary savings program offered or mandated by a governmental subdivision, if certified to the executive director by the governmental subdivision; or

(4) on a periodic, repetitive leave that is offered to all employees of a governmental subdivision where the leave program is certified by the employer to the association as one that does not exceed 208 hours during the school year or calendar year, as applicable.

(c) Differential salary credit is the difference between the salary received by the member during a period of reduced salary specified in paragraph (b) and the salary of the member, excluding overtime, on which contributions to the applicable plan would have been made during the period based on the member's normal employment period, measured in hours or otherwise, as applicable, and rate of pay.

(d) To receive differential salary credit, the member shall pay the plan, by delivering payment to the executive director, an amount equal to:

(1) the applicable employee contribution rate under section 353.27, subdivision 2; 353.65, subdivision 2; or 353E.03, subdivision 1, as applicable, multiplied by the differential salary amount;

(2) plus an employer equivalent payment equal to the applicable employer contribution rate in section 353.27, subdivision 3; 353.65, subdivision 3; or 353E.03, subdivision 2, as applicable, multiplied by the differential salary amount;

(3) plus, if applicable, an equivalent employer additional amount equal to the additional employer contribution rate in section 353.27, subdivision 3a, multiplied by the differential salary amount.

(e) The employer, by appropriate action of its governing body and documented in its official records, may pay ~~the employer equivalent contributions and on behalf of the member the amounts determined under paragraph (d), clauses (2) and (3), as applicable, the equivalent employer additional contributions on behalf of the member plus interest under paragraph (f). However, if the period of reduced salary is a periodic, repetitive leave under paragraph (b), clause (4), then the employer must pay on behalf of the member the amount determined under paragraph (d), clauses (2) and (3), as applicable, plus interest under paragraph (f).~~

(f) Payment under this section must include interest on the contribution amount or amounts, whichever applies, at the applicable rate or rates specified in section 356.59, subdivision 3, compounded annually, prorated for the number of months, if less than 12 months, from the ~~date on which the period of reduced salary specified in paragraph (b) terminates to the date on which the payment or payments are~~ end of the school year or calendar year, as applicable, until full payment is received by the executive director. Payment under this section must be completed by the earliest of:

- (1) ~~30 days~~ six months after termination of public service by the employee under section 353.01, subdivision 11a;
- (2) one year after the termination of the period of reduced salary specified in paragraph (b); or
- (3) ~~30 days~~ six months after the commencement of a disability benefit.

~~(g) If the member has purchased 12 months of differential salary credit, the member must return to public service and render a minimum of three months of allowable service to purchase differential salary credit for a subsequent leave of absence.~~

**EFFECTIVE DATE.** This section is effective July 1, 2021.

Sec. 5. Minnesota Statutes 2020, section 353.27, subdivision 12, is amended to read:

Subd. 12. **Omitted salary deductions; obligations.** (a) In the case of omission of required deductions for the general employees retirement plan, the public employees police and fire retirement plan, or the local government correctional employees retirement plan from the salary of an employee, the department head or designee shall immediately, upon discovery, report the employee for membership and deduct the employee deductions under subdivision 4 during the current pay period or during the pay period immediately following the discovery of the omission. Payment for the omitted obligations may only be made in accordance with reporting procedures and methods established by the executive director.

(b) When the entire omission period of an employee does not exceed 60 days, the governmental subdivision may report and submit payment of the omitted employee deductions and the omitted employer contributions through the reporting processes under subdivision 4.

(c) When the omission period of an employee exceeds 60 days, the governmental subdivision shall furnish to the association sufficient data and documentation upon which the obligation for omitted employee and employer contributions can be calculated. The omitted employee deductions must be deducted from the employee's subsequent salary payment or payments and remitted to the association for deposit in the applicable retirement fund. The employee shall pay omitted employee deductions due for the 60 days prior to the end of the last pay period in the omission period during which salary was earned. The employer shall pay any remaining omitted employee deductions and any omitted employer contributions, plus ~~cumulative~~ interest at the annual rate of 8.5 percent until June 30, 2015, and eight percent thereafter applicable rate or rates specified in section 356.59, subdivision 3, compounded annually, from the date or dates each omitted employee contribution was first payable.

(d) An employer shall not hold an employee liable for omitted employee deductions beyond the pay period dates under paragraph (c), nor attempt to recover from the employee those employee deductions paid by the employer on behalf of the employee. Omitted deductions due under paragraph (c) which are not paid by the employee constitute a liability of the employer that failed to deduct the omitted deductions from the employee's salary. The employer shall make payment with interest at the applicable rate or rates specified in section 356.59, subdivision 3, compounded annually. Omitted employee deductions are no longer due if an employee terminates public service before making payment of omitted employee deductions to the association, but the employer remains liable to pay omitted employer contributions plus interest at the applicable rate or rates specified in section 356.59, subdivision 3, compounded annually, from the date the contributions were first payable.

(e) The association may not commence action for the recovery of omitted employee deductions and employer contributions after the expiration of three calendar years after the calendar year in which the contributions and deductions were omitted. Except as provided under paragraph (b), no payment may be made or accepted unless the association has already commenced action for recovery of omitted deductions. An action for recovery commences on the date of the mailing of any written correspondence from the association requesting information from the governmental subdivision upon which to determine whether or not omitted deductions occurred.

**EFFECTIVE DATE.** This section is effective July 1, 2021.

Sec. 6. Minnesota Statutes 2020, section 353.30, subdivision 1a, is amended to read:

Subd. 1a. **Pre-July 1, 1989, members: rule of 90.** Upon termination of public service under section 353.01, subdivision 11a, a person who first became a public employee or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, and whose attained age plus credited allowable service totals 90 years is entitled upon application to a retirement annuity in an amount equal to the applicable normal annuity provided in section 353.29, subdivision 3, paragraph (a), ~~without any; section 353.651, subdivision 3; or section 353E.04, subdivision 3.~~ Such annuity is not subject to a reduction in annuity due to for early retirement.

**EFFECTIVE DATE.** This section is effective July 1, 2021.

Sec. 7. Minnesota Statutes 2020, section 353.30, subdivision 1b, is amended to read:

Subd. 1b. **Pre-July 1, 1989, members: 30 years of service.** Upon termination of public service under section 353.01, subdivision 11a, a person who first became a public employee or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, ~~with~~ and has 30 years or more of allowable service credit, and who elects to retire prior to normal retirement age, shall receive an annuity in an amount equal to the normal annuity provided under section 353.29, subdivision 3, paragraph (a), reduced by one-quarter of one percent for each month that the member is under age 62 at the time of retirement.

**EFFECTIVE DATE.** This section is effective July 1, 2021.

Sec. 8. Minnesota Statutes 2020, section 353.30, subdivision 1c, is amended to read:

Subd. 1c. **Pre-July 1, 1989, members: early retirement.** Upon termination of public service under section 353.01, subdivision 11a, a person who first became a public employee or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, ~~who has become~~ and is at least 55 years old but ~~not is younger than~~ than normal retirement age, and who is vested under section 353.01, subdivision 47, is entitled, upon application, to a retirement annuity in an amount equal to the applicable normal annuity provided in section 353.29, subdivision 3, paragraph (a). Such annuity must be reduced by one-quarter of one percent for each month that the member is under normal retirement age at the time of retirement.

**EFFECTIVE DATE.** This section is effective July 1, 2021.

Sec. 9. Minnesota Statutes 2020, section 353.335, is amended to read:

**353.335 DISABILITANT EARNINGS REPORTS.**

Unless waived by the executive director, a disability benefit recipients recipient must report all earnings from reemployment and from income from workers' compensation to the association annually by May 15 in a format prescribed by the executive director. If the form is not submitted by May 15, benefits must be suspended effective June 1. Upon receipt of the form by the association, if the disability benefit recipient is deemed by the executive director to be eligible for continued payment, benefits must be reinstated retroactive to June 1. The executive director may waive the requirements in this section if the medical evidence supports that the disability benefit recipient will not have earnings from reemployment.

**EFFECTIVE DATE.** This section is effective July 1, 2021.

Sec. 10. Minnesota Statutes 2020, section 353.34, subdivision 2, is amended to read:

Subd. 2. **Refund with interest.** (a) Except as provided in subdivision 1, any person who ceases to be a member is entitled to receive a refund in an amount equal to accumulated deductions, less the sum of any disability benefits that have been paid by the fund, plus annual compound interest at the applicable rate or rates under paragraph (b) to the first day of the month in which the refund is processed.

(b) Annual compound interest rates ~~on a refund under paragraph (a)~~ shall be as follows:

- (1) six percent to June 30, 2011;
- (2) four percent after June 30, 2011, to June 30, 2018; and
- (3) three percent after June 30, 2018.

(c) If a person repays a refund and subsequently applies for another refund, the repayment amount, including interest, is added to the fiscal year balance in which the repayment was made.

(d) If the refund payable to a member is based on employee deductions that are determined to be invalid under section 353.27, subdivision 7, the interest payable on the invalid employee deductions is ~~three percent~~ annual compound interest at the applicable rate or rates under paragraph (b).

**EFFECTIVE DATE.** This section is effective July 1, 2021.

Sec. 11. Minnesota Statutes 2020, section 353D.071, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given them.

(b) "Designated beneficiary" means the person designated as the beneficiary under section 353D.07, subdivision 5, and who is the designated beneficiary under section 401(a)(9) of the Internal Revenue Code and section 1.401(a)(9)-1, Q&A-4 of the Treasury regulations.

(c) "Distribution calendar year" means a calendar year for which a minimum distribution is required. For distributions beginning before the ~~member's~~ participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the ~~member's~~ participant's required beginning date. For distributions beginning after the ~~member's~~ participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under subdivision 2, paragraph (c). The required minimum distribution for the ~~member's~~ participant's first distribution calendar year shall be made on or before the ~~member's~~ participant's required beginning date.

(d) "Member's Participant's account balance" means the account balance as of the last valuation date in the valuation calendar year increased by the amount of any contributions made and allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

(e) "Required beginning date" means the ~~later of April 1 of the calendar year following the calendar year that the member attains age 70 years, six months, or April 1 of the calendar year following the calendar year in which the member terminates employment~~ date a participant's retirement benefit must begin under section 356.635, subdivision 1, paragraph (a).

(f) "Valuation calendar year" means the calendar year immediately preceding the distribution calendar year.

**EFFECTIVE DATE.** This section is effective July 1, 2021.

Sec. 12. Minnesota Statutes 2020, section 353D.071, subdivision 2, is amended to read:

Subd. 2. **Required minimum distributions.** (a) The provisions of this subdivision apply for purposes of determining required minimum distributions for calendar years and must take precedence over any inconsistent provisions of the plan. All distributions required under this section must be determined and made in accordance with the treasury regulations under section 401(a)(9) of the Internal Revenue Code, including regulations providing special rules for governmental plans, as defined under section 414(d) of the Internal Revenue Code, that comply with a reasonable good faith interpretation of the minimum distribution requirements.

(b) The ~~member's participant's entire interest must be distributed or begin to the member in a lump sum be distributed~~ no later than the ~~member's participant's required beginning date.~~

(c) If the ~~member participant~~ dies before the required minimum distribution is made or begins, the ~~member's entire interest participant's account~~ must be distributed in a lump sum no later than as follows:

(1) if the ~~member's participant's surviving spouse is the member's participant's sole designated beneficiary, the distribution must be made by December 31 of the calendar year immediately following the calendar year in which the member participant died, or by December 31 of the calendar year in which the member participant would have attained age 70 years, six months~~ the participant's required beginning date, whichever is later;

(2) if the ~~member's participant's surviving spouse is not the member's participant's sole beneficiary, or if there is no designated beneficiary as of September 30 of the year following the year of the member's participant's death, the member's entire interest participant's account~~ must be distributed by December 31 of the calendar year containing the fifth anniversary of the ~~member's participant's death as directed under section 353D.07, subdivision 5; or~~

(3) if the ~~member's participant's surviving spouse is the member's participant's sole designated beneficiary and the surviving spouse dies after the member participant, but before the account balance is distributed to the surviving spouse, paragraph (c), clause (2), must apply as if the surviving spouse were the member participant.~~

(d) For purposes of paragraph (c), unless clause (3) applies, distributions are considered to be made on the ~~member's participant's required beginning date. If paragraph (c), clause (3), applies, distributions are considered to begin on the date distributions must be made to the surviving spouse under paragraph (c), clause (1).~~

**EFFECTIVE DATE.** This section is effective July 1, 2021.

ARTICLE 4  
PERA STATEWIDE VOLUNTEER FIREFIGHTER  
PLAN PROVISIONS

Section 1. Minnesota Statutes 2020, section 477B.04, subdivision 3, is amended to read:

Subd. 3. **Deposit of state aid.** (a) This paragraph applies if the municipality or the independent nonprofit firefighting corporation is covered by the statewide volunteer firefighter plan under chapter 353G. If this paragraph applies and the executive director of the Public Employees Retirement Association has not approved an aid allocation plan under section 477B.041, the executive director of the Public Employees Retirement Association must credit the fire state aid against future municipal contribution requirements under section 353G.08 and must notify the municipality or the independent nonprofit firefighting corporation of the fire state aid so credited at least annually. If this paragraph applies and the executive director has approved an aid allocation plan under section 477B.041, the executive director must allocate fire state aid in the manner described under section 477B.041.

(b) If (1) the municipality or the independent nonprofit firefighting corporation is not covered by the statewide volunteer firefighter plan and is affiliated with a duly incorporated firefighters relief association, (2) the relief association has filed a financial report with the municipality pursuant to section 424A.014, subdivision 1 or 2, whichever applies, and (3) there is not an aid allocation agreement under section 477B.042 in effect, then the treasurer of the municipality must, within 30 days after receipt, transmit the fire state aid to the treasurer of the relief association. If clauses (1) and (2) are satisfied and there is an aid allocation agreement under section 477B.042 in effect, then fire state aid must be transmitted as described in that section. If the relief association has not filed a financial report with the municipality, then, regardless of whether an aid allocation agreement is in effect, the treasurer of the municipality must delay transmission of the fire state aid to the relief association until the complete financial report is filed.

(c) The treasurer of the municipality must deposit the fire state aid money in the municipal treasury if (1) the municipality or independent nonprofit firefighting corporation is not covered by the statewide volunteer firefighter plan, (2) there is no relief association organized, (3) the association has dissolved, or (4) the association has been removed as trustees of state aid. The money may be disbursed from the municipal treasury only for the purposes and in the manner set forth in section 424A.08 or for the payment of the employer contribution requirement with respect to firefighters covered by the public employees police and fire retirement plan under section 353.65, subdivision 3.

**EFFECTIVE DATE.** This section is effective for aids payable in 2022 and thereafter.

**Sec. 2. [477B.041] ALLOCATION OF FIRE STATE AID FOR THE STATEWIDE VOLUNTEER FIREFIGHTER PLAN.**

**Subdivision 1. Definitions.** For the purposes of this section, unless the language or context clearly indicates that a different meaning is intended, the following terms have the meanings given to them:

(1) "Active volunteer firefighter" means a member of the statewide volunteer firefighter plan as defined in section 353G.01, subdivision 8.

(2) "Chief petitioning firefighter" means an active volunteer firefighter who, on behalf of petitioning firefighters, submits a petition to stop an aid allocation plan under subdivision 6 to the executive director.

(3) "Combination department" means a municipality or independent nonprofit firefighting corporation which, during the previous calendar year and on January 1, 2021:

(i) employed one or more firefighters covered by the statewide volunteer firefighter plan; and

(ii) contributed on behalf of one or more firefighters to the public employees police and fire retirement plan under chapter 353.

(4) "Covered period" means the period covered by the aid allocation plan beginning with the calendar year immediately following the calendar year in which the plan is approved and continuing for not more than three years.

(5) "Executive director" means the executive director of the Public Employees Retirement Association.

(6) "Reimbursement amount" means the amount calculated under subdivision 4, which reimburses a combination department for employer contributions made to the public employees police and fire retirement plan on behalf of covered firefighters.

(7) "Total state aid" means the combined total of fire state aid and police and firefighter supplemental state aid payable to the Public Employees Retirement Association on behalf of a combination department on October 1 under sections 477B.04, subdivision 1, and 423A.022, subdivision 4, respectively.

Subd. 2. **Submission of an aid allocation plan.** Beginning on March 1 of each year, a combination department may submit to the executive director an aid allocation plan that conforms with the requirements in this paragraph. The aid allocation plan must:

(1) be approved by the governing body of the combination department;

(2) be in writing and specify:

(i) the percentage of the fire state aid, dollar amount, or formula for determining the amount of fire state aid that will be transmitted to the combination department as the reimbursement amount; and

(ii) the covered period;

(3) be signed by the municipal clerk or secretary; and

(4) include the date that notice was provided to firefighters under subdivision 7.

Subd. 3. **Approval of aid allocation plan.** The executive director shall approve an aid allocation plan submitted by a combination department if:

(1) the aid allocation plan is submitted on or after March 1;

(2) the aid allocation plan meets the requirements in subdivision 2; and

(3) within 45 days after receipt of the aid allocation plan, the executive director has not received a petition to stop aid allocation described in subdivision 6.

Subd. 4. **Deposit; transfer of fire state aid under aid allocation plan.** (a) Fire state aid covered by an approved aid allocation plan must be deposited in accordance with this subdivision. Within 30 days after receipt of the fire state aid, the executive director must transmit the reimbursement amount to the combination department. The reimbursement amount must not exceed the smallest of the following amounts:

(1) the percentage, dollar amount, or formula specified by the combination department under subdivision 2;

(2) the combination department's total employer contribution to the public employees police and fire retirement plan on behalf of firefighters during the preceding calendar year;

(3) the amount of fire state aid payable to the Public Employees Retirement Association on behalf of the combination department on October 1 of the current calendar year under section 477B.04, subdivision 1;

(4) the amount determined by subtracting from the combination department's total state aid the combination department's annual funding requirement under section 353G.08 as calculated on or before August 1 for the current year; or

(5) the amount determined by subtracting from the combination department's total state aid the amount required to increase the funding ratio of the combination department's account to not less than 100 percent as of the date of the valuation used to determine the funding requirement under clause (4).

(b) After transmitting the reimbursement amount, the executive director must immediately credit any remaining fire state aid against the combination department's annual funding requirement under section 353G.08. The executive director must notify the combination department of the disposition of fire state aid within 30 days of transmission of the reimbursement amount.

(c) Fire state aids payable before or after the covered period must be credited as if no aid allocation plan has been approved under section 477B.04, subdivision 3, paragraph (a).

**Subd. 5. Termination; modification of aid allocation plan.** (a) The governing body of a combination department may terminate an aid allocation plan at any time by submitting a notice of termination to the executive director.

(b) A combination department may modify an aid allocation plan at any time during the covered period by submitting a modified aid allocation plan to the executive director. The modified aid allocation plan must meet the requirements of an aid allocation plan under subdivision 3.

(c) The termination or modification of an aid allocation plan applies only to subsequent fire state aid payments and does not affect any reimbursement amount already transmitted to the combination department.

(d) The combination department must provide notice of any modification or termination as required under subdivision 7.

**Subd. 6. Petition to stop aid allocation.** (a) Within 45 days after a combination department submits an aid allocation plan or modified aid allocation plan to the executive director, an active volunteer firefighter employed by the combination department may submit to the executive director a petition to stop the aid allocation plan. The petition must be in a form prescribed by the executive director. The executive director must reject an aid allocation plan or modified aid allocation plan as a result of the petition if:

(1) the executive director receives the petition to stop the aid allocation plan within 45 days after receiving an aid allocation plan or modified aid allocation plan for the same combination department; and

(2) the petition to stop aid allocation is in writing and includes the names and signatures of a majority of the active volunteer firefighters employed by the combination department and the name and contact information for the chief petitioning firefighter.

(b) When determining whether a petition includes the names and signatures of a majority of the active volunteer firefighters affiliated with the combination department, the executive director must verify that the names provided match the active volunteer firefighter records maintained by the Public Employees Retirement Association.

(c) Upon receipt of a petition to stop aid allocation, the executive director must immediately notify the combination department that a petition was received. Within 15 days after receipt of the petition to stop aid allocation, the executive director must report to the combination department and the chief petitioning firefighter whether the aid allocation plan was rejected as a result of the petition.

(d) If an aid allocation plan is rejected as a result of a petition, the combination department may revise the aid allocation plan and submit the revised plan, subject to the requirements in this section, including the notice under subdivision 7 and the firefighters' right to petition to stop aid allocation under the revised plan under subdivision 6.

Subd. 7. **Notice to volunteer firefighters.** Within 30 days before submitting to the executive director an aid allocation plan or modification or termination of an aid allocation plan, the combination department must notify all active volunteer firefighters employed by the combination department in writing. The notice must include a copy of the aid allocation plan, modified aid allocation plan, or notice of termination approved by the governing body of the combination department.

Subd. 8. **Forms authorized.** The executive director must prescribe a form of petition that satisfies the requirements of subdivision 6 and may prescribe other forms as required for the administration of this section.

**EFFECTIVE DATE.** This section is effective for aids payable in 2022 and thereafter.

## ARTICLE 5

### ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATION PROVISIONS

Section 1. Minnesota Statutes 2020, section 354A.12, subdivision 1, is amended to read:

Subdivision 1. **Employee contributions.** (a) The contribution required to be paid by each member of the St. Paul Teachers Retirement Fund Association is the percentage of total salary specified below for the applicable association and program:

| Program   | Percentage of Total Salary |
|---|----------------------------|
| St. Paul Teachers Retirement Fund Association           |                            |
| basic program after June 30, 2016                       | 10 percent                 |
| basic program after June 30, <del>2022</del> 2023       | 10.25 percent              |
| coordinated program after June 30, 2016                 | 7.5 percent                |
| coordinated program after June 30, <del>2022</del> 2023 | 7.75 percent               |

(b) Contributions must be made by deduction from salary and must be remitted directly to the St. Paul Teachers Retirement Fund Association at least once each month.

(c) When an employee contribution rate changes for a fiscal year, the new contribution rate is effective for the entire salary paid by the employer with the first payroll cycle reported.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2020, section 354A.31, subdivision 7, is amended to read:

Subd. 7. **Reduction for early retirement.** (a) This subdivision applies to a person who has become at least 55 years old and first becomes a coordinated member after June 30, 1989, and to any other coordinated member who has become at least 55 years old and whose annuity is higher when calculated using the retirement annuity formula

percentage in subdivision 4, paragraph (d), in conjunction with this subdivision than when calculated under subdivision 4, paragraph (c), in conjunction with subdivision 6. An employee who retires under the formula annuity before the normal retirement age shall be paid the normal annuity reduced as described in paragraph (b) if the person retires on or after July 1, 2019, or in paragraph (c) if the person retires before July 1, 2019, as applicable.

(b) A coordinated member who retires before the normal retirement age and on or after July 1, 2019, is entitled to receive a retirement annuity calculated using the retirement annuity formula percentage in subdivision 4, paragraph (d), reduced as described in clause (1) or (2), as applicable.

(1) If the member retires when the member is younger than age 62 or with fewer than 30 years of service, the annuity must be reduced by an early reduction factor for each year that the member's age of retirement precedes normal retirement age. The early reduction factors are four percent per year for ~~ages~~ members whose age at retirement is at least 55 through but not yet 59 and seven percent per year for ~~ages 60 through~~ members whose age at retirement is at least 59 but not yet normal retirement age. The resulting annuity must be further adjusted to take into account augmentation as if the employee had deferred receipt of the annuity until normal retirement age and the annuity were augmented at the applicable annual rate, compounded annually, from the day the annuity begins to accrue until normal retirement age. The applicable annual rate is the rate in effect on the employee's effective date of retirement and shall be considered as fixed for the employee. The applicable annual rates are the following:

(i) until June 30, 2019, 2.5 percent;

(ii) a rate that changes each month, beginning July 1, 2019, through June 30, 2024, which is determined by reducing the rate in item (i) to zero in equal monthly increments over the five-year period; and

(iii) after June 30, 2024, zero percent.

After June 30, 2024, the reduced annuity commencing before normal retirement age under this clause shall not take into account any augmentation.

(2) If the member retires when the member is at least age 62 or older and has at least 30 years of service, the member is entitled to receive a retirement annuity calculated using the retirement annuity formula percentage in subdivision 4, paragraph (d), multiplied by the applicable early retirement factor specified for members "Age 62 or older with 30 years of service" in the table in paragraph (c).

(c) A coordinated member who retires before the normal retirement age and before July 1, 2019, is entitled to receive a retirement annuity calculated using the retirement annuity formula percentage in subdivision 4, paragraph (d), multiplied by the applicable early retirement factor specified below:

| Normal retirement age:<br>Age at retirement | Under age 62<br>or less than 30 years of service |        | Age 62 or older<br>with 30 years of service |        |
|---|--|--------|---|--------|
|   | 65   | 66     | 65  | 66     |
| 55  | 0.5376   | 0.4592 |   |        |
| 56  | 0.5745   | 0.4992 |   |        |
| 57  | 0.6092   | 0.5370 |   |        |
| 58  | 0.6419   | 0.5726 |   |        |
| 59  | 0.6726   | 0.6062 |   |        |
| 60  | 0.7354   | 0.6726 |   |        |
| 61  | 0.7947   | 0.7354 |   |        |
| 62  | 0.8507   | 0.7947 | 0.8831                                      | 0.8389 |
| 63  | 0.9035   | 0.8507 | 0.9246                                      | 0.8831 |

|    |        |        |        |        |
|----|--------|--------|--------|--------|
| 64 | 0.9533 | 0.9035 | 0.9635 | 0.9246 |
| 65 | 1.0000 | 0.9533 | 1.0000 | 0.9635 |
| 66 |        | 1.0000 |        | 1.0000 |

For normal retirement ages between ages 65 and 66, the early retirement factors must be determined by linear interpolation between the early retirement factors applicable for normal retirement ages 65 and 66.

**EFFECTIVE DATE.** This section is effective retroactively from June 30, 2018.

ARTICLE 6  
VOLUNTEER FIREFIGHTER RELIEF ASSOCIATION  
PROVISIONS

Section 1. Minnesota Statutes 2020, section 424A.001, is amended by adding a subdivision to read:

Subd. 2b. **Municipal clerk.** "Municipal clerk" means the person elected or appointed to the position of municipal clerk, the chief financial official or chief administrative official designated to perform such function, or, if there is no such person or designation, the chief financial official, the chief administrative official, or the person primarily responsible for managing the finances of a municipality.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2020, section 424A.014, subdivision 1, is amended to read:

Subdivision 1. **Financial report and audit.** (a) An annual financial report and audited financial statements in accordance with paragraphs (c) to (e) must be submitted by the board of trustees of the Bloomington Fire Department Relief Association and the board of trustees of each volunteer firefighters relief association with special fund assets of at least \$500,000 or special fund liabilities of at least \$500,000 in the prior year or in any previous year, according to the applicable actuarial valuation or according to the financial report if no valuation is required, must prepare a financial report covering the special and general funds of the relief association for the preceding fiscal year, file the any previous year's financial report, and submit financial statements.

(b) The board of trustees of a volunteer firefighters relief association with special fund assets of less than \$500,000 and special fund liabilities of less than \$500,000, according to each previous year's financial report, may submit an annual financial report and audited financial statements in accordance with paragraphs (c) to (e).

~~(b)~~ (c) The financial report must contain financial statements and disclosures that 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 cover the relief association's special fund and general fund and be in the style and form prescribed by the state auditor. The financial report must be countersigned by:

(1) 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 that is directly associated with a municipal fire department;

(2) the municipal clerk or clerk-treasurer of the largest municipality in population that contracts with the independent nonprofit firefighting corporation if the volunteer firefighter relief association is a subsidiary of an independent nonprofit firefighting corporation, and by the secretary of the independent nonprofit firefighting corporation; or

(3) the chief financial official of the county in which the volunteer firefighter relief association is located or primarily located if the relief association is associated with a fire department that is not located in or associated with an organized municipality.

(~~e~~) (d) The financial report must be retained in the office of the Bloomington Fire Department Relief Association or the volunteer firefighter relief association for public inspection and must be filed with the governing body of the government subdivision in which the associated fire department is located after the close of the fiscal year. One copy of the financial report must be furnished to the state auditor on or before June 30 after the close of the fiscal year.

(~~d~~) (e) Audited financial statements that present the true financial condition of the relief association's special fund and general fund must be attested to by a certified public accountant or by the state auditor and must be filed with the state auditor on or before June 30 after the close of the fiscal year. Audits must be conducted in compliance with generally accepted auditing standards and section 6.65 governing audit procedures. The state auditor may accept ~~this report~~ audited financial statements in lieu of the financial report required in paragraph (~~e~~) (a).

**EFFECTIVE DATE.** This section is effective January 1, 2022.

Sec. 3. Minnesota Statutes 2020, section 424A.014, subdivision 2, is amended to read:

Subd. 2. **Financial statement.** (a) The board of trustees of each volunteer firefighter relief association that is not required to and does not choose to file a financial report and audit under subdivision 1 must prepare a detailed statement of the financial affairs for the preceding fiscal year of the relief association's special and general funds in the style and form prescribed by the state auditor. The detailed statement must show:

(1) the sources and amounts of all money received;

(2) all disbursements, accounts payable, and accounts receivable;

(3) the amount of money remaining in the treasury;

(4) total assets, including a listing of all investments;

(5) the accrued liabilities; and

(6) all other items necessary to show accurately the revenues and expenditures and financial position of the relief association.

(b) The detailed financial statement of the special and general funds required under paragraph (a) must be certified by a certified public accountant or by the state auditor in accordance with agreed-upon procedures and forms prescribed by the state auditor. The accountant must have at least five years of public accounting, auditing, or similar experience and must not be an active, inactive, or retired member of the relief association or the fire department.

(c) The detailed financial statement required under paragraph (a) must be countersigned by:

(1) the municipal clerk or clerk-treasurer of the municipality;

(2) where applicable, the municipal clerk or clerk-treasurer of the largest municipality in population that contracts with the independent nonprofit firefighting corporation if the relief association is a subsidiary of an independent nonprofit firefighting corporation, and by the secretary of the independent nonprofit firefighting corporation; or

(3) the chief financial official of the county in which the volunteer firefighter relief association is located or primarily located if the relief association is associated with a fire department that is not located in or associated with an organized municipality.

(d) The volunteer firefighters relief association board must submit a copy of the detailed financial statement required under paragraph (a) that has been certified by the governing body of the municipality to the state auditor on or before March 31 after the close of the fiscal year.

(e) A certified public accountant or auditor who performs the agreed-upon procedures under paragraph (b) is subject to the reporting requirement of section 6.67.

**EFFECTIVE DATE.** This section is effective January 1, 2022.

Sec. 4. Minnesota Statutes 2020, section 424A.015, subdivision 7, is amended to read:

Subd. 7. **Combined service pensions.** (a) A ~~volunteer firefighter member~~ member with credit for service as an active firefighter in more than one volunteer firefighters relief association is entitled to a ~~prorated~~ service pension from each participating relief association if:

- (1) the articles of incorporation or bylaws of the relief associations provide for such combined service pensions;
- (2) the applicable requirements of paragraphs (b) ~~and (e)~~ to (e) are met; and
- (3) the ~~volunteer firefighter member~~ member otherwise qualifies.

(b) A ~~volunteer firefighter member~~ member receiving a ~~prorated~~ service pension under this subdivision must ~~have a total combined amount of service credit from the two or more relief associations of ten years or more, unless the bylaws of every affected relief association specify less than a ten-year service vesting requirement, in which case, the total amount of required service credit is the longest service vesting requirement of the relief associations be at least partially vested under the bylaws of the first participating relief association on the date on which the member terminates active service with that relief association. The service pension paid from the first participating relief association shall be based on the years of active service accrued in the first relief association and the vesting percentage applicable to those years of active service.~~

(c) To receive a service pension from each subsequent relief association, the member must be at least partially vested under the bylaws of the subsequent relief association, taking into consideration the member's total service credit accrued in all participating relief associations to the date the member terminates active service with the subsequent relief association. The service pension paid from each subsequent relief association shall be based on the years of active service accrued solely in that relief association and the vesting percentage applicable to the combined amount of total service credit accrued in all of the participating relief associations.

(d) The member must have one ~~year~~ or more years of service credit in each participating relief association. The ~~prorated~~ service pension must be based on:

(1) for defined benefit relief associations, the service pension amount in effect for the relief association on the date on which the member's active volunteer firefighting services covered by that relief association terminate; and

(2) for defined contribution relief associations, the member's individual account balance on the date on which the member's active volunteer firefighting services covered by that relief association terminate.

~~(e)~~ (e) To receive a ~~prorated~~ service pension under this subdivision, the ~~firefighter member~~ must become a member of the ~~second or succeeding~~ subsequent relief association ~~and must give notice of membership to the prior association~~ within two years of the date of termination of active service with the prior relief association. ~~The second~~ If requested by the member or a subsequent relief association, the secretary of each prior relief association must certify the provide written notice to the member and the subsequent relief association regarding the amount of active service accrued by the member in the prior relief association.

**EFFECTIVE DATE.** This section is effective January 1, 2022.

Sec. 5. Minnesota Statutes 2020, section 424A.016, subdivision 4, is amended to read:

Subd. 4. **Individual accounts.** (a) An individual account must be established for each firefighter who is a member of the relief association.

(b) To each individual active member account must be credited an equal share of:

(1) any amounts of fire state aid and police and firefighter retirement supplemental state aid received by the relief association;

(2) any amounts of municipal contributions to the relief association raised from levies on real estate or from other available municipal revenue sources exclusive of fire state aid; and

(3) any amounts equal to the share of the assets of the special fund to the credit of:

(i) any former member who terminated active service with the fire department to which the relief association is associated before meeting the minimum service requirement provided for in subdivision 2, paragraph (b), and either has not returned to active service with the fire department for a period no shorter than five years or has died and no survivor benefit or death benefit is payable; or

(ii) any ~~retired~~ member who ~~retired~~ terminated active service before ~~obtaining a full nonforfeitable interest in the amounts credited to~~ becoming 100 percent vested in the individual member member's account under subdivision 2, paragraph (b), and any applicable provision of the bylaws of the relief association.

(c) In addition, any investment return on the assets of the special fund must be credited in proportion to the share of the assets of the special fund to the credit of each individual active member account and inactive member account, unless the inactive member is a deferred member as defined in subdivision 6.

(d) Administrative expenses of the relief association payable from the special fund may be deducted from individual accounts in a manner specified in the bylaws of the relief association.

(e) Amounts to be credited to individual accounts under paragraph (b) must be allocated uniformly for all years of active service and allocations must be made for all years of service, except for caps on service credit if so provided in the bylaws of the relief association. Amounts forfeited under paragraph (b), clause (3), before a resumption of active service and membership under section 424A.01, subdivision 6, remain forfeited and may not be reinstated upon the resumption of active service and membership. The allocation method may utilize monthly proration for fractional years of service, as the bylaws or articles of incorporation of the relief association so provide. The bylaws or articles of incorporation may define a "month," but the definition must require a calendar month to have at least 16 days of active service. If the bylaws or articles of incorporation do not define a "month," a "month" is a completed calendar month of active service measured from the member's date of entry to the same date in the subsequent month.

(f) At the time of retirement under subdivision 2 and any applicable provision of the bylaws of the relief association, a retiring member is entitled to that portion of the assets of the special fund to the credit of the member in the individual member account which is nonforfeitable under subdivision 3 and any applicable provision of the bylaws of the relief association based on the number of years of service to the credit of the retiring member.

(g) Annually, the secretary of the relief association shall certify the individual account allocations to the state auditor at the same time that the annual financial statement or financial report and audit of the relief association, whichever applies, is due under section 424A.014.

**EFFECTIVE DATE.** This section is effective January 1, 2022.

Sec. 6. Minnesota Statutes 2020, section 424A.016, subdivision 6, is amended to read:

Subd. 6. **Deferred service pensions.** (a) A "deferred member" means a member of a relief association who has separated from active service and membership and has completed the minimum service and membership requirements in subdivision 2. The requirement that a member separate from active service and membership is waived for persons who have discontinued their volunteer firefighter duties and who are employed on a full-time basis under section 424A.015, subdivision 1.

(b) A deferred member is entitled to receive a deferred service pension when the member reaches at least age 50, or at least the minimum age specified in the bylaws governing the relief association if that age is greater than age 50, and makes a valid written application.

(c) A defined contribution relief association must credit interest or additional investment performance on the deferred lump-sum service pension during the period of deferral for all deferred members on or after January 1, 2021. Interest must be credited using one of the following methods, as provided for in the A defined contribution relief association may specify in its bylaws the method by which it will credit interest or additional investment performance to the accounts of deferred members. Such method shall be limited to one of the three methods provided in this paragraph. In the event the bylaws do not specify a method, the interest or additional investment performance must be credited using the method defined in clause (3). The permissible methods are:

(1) at the investment performance rate actually earned on that portion of the assets if the deferred benefit amount is invested by the relief association in a separate account established and maintained by the relief association;

(2) at the investment performance rate actually earned on that portion of the assets if the deferred benefit amount is invested in a separate investment vehicle held by the relief association; or

(3) at the investment return on the assets of the special fund of the defined contribution volunteer firefighters relief association in proportion to the share of the assets of the special fund to the credit of each individual deferred member account through the accounting date on which the investment return is recognized by and credited to the special fund.

(d) Notwithstanding the requirements of section 424A.015, subdivision 6, bylaw amendments made in accordance with paragraph (c) on or before January 1, 2022, shall apply to members already in deferred status as of January 1, 2021.

~~(d)~~ (e) Unless the bylaws of provide differently, the dates that will be used by a relief association that has elected to pay interest or additional investment performance on deferred lump sum service pensions under paragraph (e) specifies a different interest or additional investment performance method, including the interest or additional investment performance period starting date and ending date, the in determining the creditable amount of interest or additional investment performance on a deferred service pension is creditable shall be as follows:

(1) for a relief association that has elected to credit interest or additional investment performance under paragraph (c), clause (1) or (3), beginning on the date that the member separates from active service and membership and ending on the accounting date immediately before the deferred member commences receipt of the deferred service pension; or

(2) for a relief association that has elected to credit interest or additional investment performance under paragraph (c), clause (2), beginning on the date that the member separates from active service and membership and ending on the date that the separate investment vehicle is valued immediately before the date on which the deferred member commences receipt of the deferred service pension.

~~(e) If the bylaws do not define a method for crediting interest or additional investment performance, the interest or additional investment performance must be credited using the method defined in paragraph (c), clause (3).~~

~~(f) Until December 31, 2020, a defined contribution relief association is permitted, if its governing bylaws so provide, to credit interest or additional investment performance on the deferred lump sum service pension during the period of deferral using the method set forth in the bylaws applicable on the date on which each deferred member separated from active service.~~

**EFFECTIVE DATE.** This section is effective retroactively from January 1, 2021.

Sec. 7. Minnesota Statutes 2020, section 424A.02, subdivision 3, is amended to read:

Subd. 3. **Flexible service pension maximums.** (a) Annually on or before August 1 as part of the certification of the financial requirements and minimum municipal obligation determined under section 424A.092, subdivision 4, or 424A.093, subdivision 5, as applicable, the secretary or some other official of the relief association designated in the bylaws of each defined benefit relief association shall calculate and certify to the governing body of the applicable municipality the average amount of available financing per active covered firefighter for the most recent three-year period.

The amount of available financing includes any amounts of fire state aid and police and firefighter retirement supplemental state aid received or receivable by the relief association, any amounts of municipal contributions to the relief association raised from levies on real estate or from other available revenue sources exclusive of fire state aid, and one-tenth of the amount of assets in excess of the accrued liabilities of the relief association calculated under section 424A.092, subdivision 2; 424A.093, subdivisions 2 and 4; or 424A.094, subdivision 2, if any.

(b) The maximum service pension which the defined benefit relief association has authority to provide for in its bylaws for payment to a member retiring after the calculation date when the minimum age and service requirements specified in subdivision 1 are met must be determined using the table in paragraph (c) or (d), whichever applies.

(c) For a defined benefit relief association where the governing bylaws provide for a monthly service pension to a retiring member, the maximum monthly service pension amount per month for each year of service credited that may be provided for in the bylaws is the greater of the service pension amount provided for in the bylaws on the date of the calculation of the average amount of the available financing per active covered firefighter or the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter:

| Minimum Average Amount of Available Financing per<br>Firefighter | Maximum Service Pension Amount Payable per<br>Month for Each Year of Service |
|--|--|
| \$ ...   | \$ .25   |
| 41   | .50  |
| 81   | 1.00   |

|      |       |
|------|-------|
| 122  | 1.50  |
| 162  | 2.00  |
| 203  | 2.50  |
| 243  | 3.00  |
| 284  | 3.50  |
| 324  | 4.00  |
| 365  | 4.50  |
| 405  | 5.00  |
| 486  | 6.00  |
| 567  | 7.00  |
| 648  | 8.00  |
| 729  | 9.00  |
| 810  | 10.00 |
| 891  | 11.00 |
| 972  | 12.00 |
| 1053 | 13.00 |
| 1134 | 14.00 |
| 1215 | 15.00 |
| 1296 | 16.00 |
| 1377 | 17.00 |
| 1458 | 18.00 |
| 1539 | 19.00 |
| 1620 | 20.00 |
| 1701 | 21.00 |
| 1782 | 22.00 |
| 1823 | 22.50 |
| 1863 | 23.00 |
| 1944 | 24.00 |
| 2025 | 25.00 |
| 2106 | 26.00 |
| 2187 | 27.00 |
| 2268 | 28.00 |
| 2349 | 29.00 |
| 2430 | 30.00 |
| 2511 | 31.00 |
| 2592 | 32.00 |
| 2673 | 33.00 |
| 2754 | 34.00 |
| 2834 | 35.00 |
| 2916 | 36.00 |
| 2997 | 37.00 |
| 3078 | 38.00 |
| 3159 | 39.00 |
| 3240 | 40.00 |
| 3321 | 41.00 |
| 3402 | 42.00 |
| 3483 | 43.00 |
| 3564 | 44.00 |
| 3645 | 45.00 |
| 3726 | 46.00 |
| 3807 | 47.00 |

|      |       |
|------|-------|
| 3888 | 48.00 |
| 3969 | 49.00 |
| 4050 | 50.00 |
| 4131 | 51.00 |
| 4212 | 52.00 |
| 4293 | 53.00 |
| 4374 | 54.00 |
| 4455 | 55.00 |
| 4536 | 56.00 |
| 4617 | 57.00 |
| 4698 | 58.00 |
| 4779 | 59.00 |
| 4860 | 60.00 |
| 4941 | 61.00 |
| 5022 | 62.00 |
| 5103 | 63.00 |
| 5184 | 64.00 |
| 5265 | 65.00 |
| 5346 | 66.00 |
| 5427 | 67.00 |
| 5508 | 68.00 |
| 5589 | 69.00 |
| 5670 | 70.00 |
| 5751 | 71.00 |
| 5832 | 72.00 |
| 5913 | 73.00 |
| 5994 | 74.00 |
| 6075 | 75.00 |
| 6156 | 76.00 |
| 6237 | 77.00 |
| 6318 | 78.00 |
| 6399 | 79.00 |
| 6480 | 80.00 |
| 6561 | 81.00 |
| 6642 | 82.00 |
| 6723 | 83.00 |
| 6804 | 84.00 |
| 6885 | 85.00 |
| 6966 | 86.00 |
| 7047 | 87.00 |
| 7128 | 88.00 |
| 7209 | 89.00 |
| 7290 | 90.00 |
| 7371 | 91.00 |
| 7452 | 92.00 |
| 7533 | 93.00 |
| 7614 | 94.00 |
| 7695 | 95.00 |
| 7776 | 96.00 |
| 7857 | 97.00 |
| 7938 | 98.00 |

|                              |        |
|------------------------------|--------|
| 8019                         | 99.00  |
| 8100                         | 100.00 |
| any amount in excess of 8100 | 100.00 |

(d) For a defined benefit relief association in which the governing bylaws provide for a lump-sum service pension to a retiring member, the maximum lump-sum service pension amount for each year of service credited that may be provided for in the bylaws is the greater of the service pension amount provided for in the bylaws on the date of the calculation of the average amount of the available financing per active covered firefighter or the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter for the applicable specified period:

| Minimum Average Amount of Available Financing per Firefighter | Maximum Lump-Sum Service Pension Amount Payable for Each Year of Service |
|---|--|
| \$ ...  | \$10   |
| 11  | 20   |
| 16  | 30   |
| 23  | 40   |
| 27  | 50   |
| 32  | 60   |
| 43  | 80   |
| 54  | 100  |
| 65  | 120  |
| 77  | 140  |
| 86  | 160  |
| 97  | 180  |
| 108   | 200  |
| 131   | 240  |
| 151   | 280  |
| 173   | 320  |
| 194   | 360  |
| 216   | 400  |
| 239   | 440  |
| 259   | 480  |
| 281   | 520  |
| 302   | 560  |
| 324   | 600  |
| 347   | 640  |
| 367   | 680  |
| 389   | 720  |
| 410   | 760  |
| 432   | 800  |
| 486   | 900  |
| 540   | 1000   |
| 594   | 1100   |
| 648   | 1200   |
| 702   | 1300   |
| 756   | 1400   |
| 810   | 1500   |
| 864   | 1600   |
| 918   | 1700   |

|      |      |
|------|------|
| 972  | 1800 |
| 1026 | 1900 |
| 1080 | 2000 |
| 1134 | 2100 |
| 1188 | 2200 |
| 1242 | 2300 |
| 1296 | 2400 |
| 1350 | 2500 |
| 1404 | 2600 |
| 1458 | 2700 |
| 1512 | 2800 |
| 1566 | 2900 |
| 1620 | 3000 |
| 1672 | 3100 |
| 1726 | 3200 |
| 1753 | 3250 |
| 1780 | 3300 |
| 1820 | 3375 |
| 1834 | 3400 |
| 1888 | 3500 |
| 1942 | 3600 |
| 1996 | 3700 |
| 2023 | 3750 |
| 2050 | 3800 |
| 2104 | 3900 |
| 2158 | 4000 |
| 2212 | 4100 |
| 2265 | 4200 |
| 2319 | 4300 |
| 2373 | 4400 |
| 2427 | 4500 |
| 2481 | 4600 |
| 2535 | 4700 |
| 2589 | 4800 |
| 2643 | 4900 |
| 2697 | 5000 |
| 2751 | 5100 |
| 2805 | 5200 |
| 2859 | 5300 |
| 2913 | 5400 |
| 2967 | 5500 |
| 3021 | 5600 |
| 3075 | 5700 |
| 3129 | 5800 |
| 3183 | 5900 |
| 3237 | 6000 |
| 3291 | 6100 |
| 3345 | 6200 |
| 3399 | 6300 |
| 3453 | 6400 |
| 3507 | 6500 |

|      |        |
|------|--------|
| 3561 | 6600   |
| 3615 | 6700   |
| 3669 | 6800   |
| 3723 | 6900   |
| 3777 | 7000   |
| 3831 | 7100   |
| 3885 | 7200   |
| 3939 | 7300   |
| 3993 | 7400   |
| 4047 | 7500   |
| 4101 | 7600   |
| 4155 | 7700   |
| 4209 | 7800   |
| 4263 | 7900   |
| 4317 | 8000   |
| 4371 | 8100   |
| 4425 | 8200   |
| 4479 | 8300   |
| 4533 | 8400   |
| 4587 | 8500   |
| 4641 | 8600   |
| 4695 | 8700   |
| 4749 | 8800   |
| 4803 | 8900   |
| 4857 | 9000   |
| 4911 | 9100   |
| 4965 | 9200   |
| 5019 | 9300   |
| 5073 | 9400   |
| 5127 | 9500   |
| 5181 | 9600   |
| 5235 | 9700   |
| 5289 | 9800   |
| 5343 | 9900   |
| 5397 | 10,000 |
| 5451 | 10,100 |
| 5505 | 10,200 |
| 5559 | 10,300 |
| 5613 | 10,400 |
| 5667 | 10,500 |
| 5721 | 10,600 |
| 5775 | 10,700 |
| 5829 | 10,800 |
| 5883 | 10,900 |
| 5937 | 11,000 |
| 5991 | 11,100 |
| 6045 | 11,200 |
| 6099 | 11,300 |
| 6153 | 11,400 |
| 6207 | 11,500 |
| 6261 | 11,600 |

|                              |        |
|------------------------------|--------|
| 6315                         | 11,700 |
| 6369                         | 11,800 |
| 6423                         | 11,900 |
| 6477                         | 12,000 |
| 6531                         | 12,100 |
| 6585                         | 12,200 |
| 6639                         | 12,300 |
| 6693                         | 12,400 |
| 6747                         | 12,500 |
| 6801                         | 12,600 |
| 6855                         | 12,700 |
| 6909                         | 12,800 |
| 6963                         | 12,900 |
| 7017                         | 13,000 |
| 7071                         | 13,100 |
| 7125                         | 13,200 |
| 7179                         | 13,300 |
| 7233                         | 13,400 |
| 7287                         | 13,500 |
| 7341                         | 13,600 |
| 7395                         | 13,700 |
| 7449                         | 13,800 |
| 7503                         | 13,900 |
| 7557                         | 14,000 |
| 7611                         | 14,100 |
| 7665                         | 14,200 |
| 7719                         | 14,300 |
| 7773                         | 14,400 |
| 7827                         | 14,500 |
| 7881                         | 14,600 |
| 7935                         | 14,700 |
| 7989                         | 14,800 |
| 8043                         | 14,900 |
| 8097                         | 15,000 |
| any amount in excess of 8097 | 15,000 |

(e) For a defined benefit relief association in which the governing bylaws provide for a monthly benefit service pension as an alternative form of service pension payment to a lump-sum service pension, the maximum service pension amount for each pension payment type must be determined using the applicable table contained in this subdivision.

(f) If a defined benefit relief association establishes a service pension in compliance with the applicable maximum contained in paragraph (c) or (d) and the minimum average amount of available financing per active covered firefighter is subsequently reduced because of a reduction in fire state aid or because of an increase in the number of active firefighters, the relief association may continue to provide the prior service pension amount specified in its bylaws, but may not increase the service pension amount until the minimum average amount of available financing per firefighter under the table in paragraph (c) or (d), whichever applies, permits.

(g) No defined benefit relief association is authorized to provide a service pension in an amount greater than the largest applicable flexible service pension maximum amount even if the amount of available financing per firefighter is greater than the financing amount associated with the largest applicable flexible service pension maximum.

(h) The method of calculating service pensions must be applied uniformly for all years of active service. Credit must be given for all years of active service ~~except, unless the bylaws of the relief association provide that service credit is not given~~ for:

~~(1) years of active service in excess of caps on service credit if so provided in the bylaws of the relief association; or~~

~~(2) years of active service earned by a former member who:~~

~~(i) has ceased duties as a volunteer firefighter with the fire department before becoming vested under subdivision 2; and~~

~~(ii) has not resumed active service with the fire department and active membership in the relief association for a period as defined in the relief association's bylaws, of not less than five years.~~

**EFFECTIVE DATE.** This section is effective January 1, 2022.

Sec. 8. Minnesota Statutes 2020, section 424A.05, subdivision 3b, is amended to read:

Subd. 3b. **Authorized administrative expenses from special fund.** (a) 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, constitutes authorized administrative expenses of a volunteer firefighters relief association organized under any law of the state or the Bloomington Fire Department Relief Association:

(1) office expenses, including but not limited to rent, utilities, equipment, supplies, postage, periodical subscriptions, furniture, fixtures, and salaries of administrative personnel;

(2) salaries of the officers of the association or their designees, and salaries of the members of the board of trustees of the association if the salary amounts are approved by the governing body of the entity that is responsible for meeting any minimum obligation under section 424A.092 or 424A.093 or Laws 2013, chapter 111, article 5, sections 31 to 42, and the itemized expenses of relief association officers and board members that are incurred as a result of fulfilling their responsibilities as administrators of the special fund;

(3) 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;

(4) audit and audit-related services, accounting and accounting-related services, and actuarial, medical, legal, and investment and performance evaluation expenses;

(5) filing and application fees necessary to administer the special fund payable by the relief association to federal or other government entities;

(6) 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

(7) premiums on fiduciary liability insurance and official bonds for the officers, members of the board of trustees, and employees of the relief association.

(b) All other expenses of the relief association must be paid from the general fund of the association if one exists. If a relief association has only one fund, that fund is the special fund for purposes of this subdivision. If a relief association has a special fund and a general fund, the payment of any expense of the relief association that is directly related to the purposes for which both funds were established must be apportioned between the two funds on the basis of the benefits derived by each fund.

**EFFECTIVE DATE.** This section is effective January 1, 2022.

Sec. 9. **VESTING AND DISTRIBUTION OF NOWTHEN FIREFIGHTERS' ACCOUNTS IN THE RAMSEY VOLUNTEER FIREFIGHTERS' RELIEF ASSOCIATION.**

Subdivision 1. **Definitions.** (a) "Account" means the account established for a member under the Ramsey relief association, to which an allocation of fire state aid, supplemental aid, contributions, forfeitures, interest, and investment earnings or losses have been credited for every year the member was eligible to receive such allocation under the bylaws of the Ramsey relief association.

(b) "Nowthen firefighter" means a firefighter (1) who is or was an employee of the city of Ramsey assigned to the Nowthen fire station on March 31, 2021; (2) who has an account in the Ramsey relief association; and (3) whose employment is or was terminated by the city of Ramsey in 2021.

(c) "Ramsey relief association" means the Ramsey Volunteer Firefighters' Relief Association.

Subd. 2. **Eligibility for allocation, full vesting, and immediate access to accounts.** Notwithstanding any laws or provisions in the bylaws or articles of incorporation of the Ramsey relief association to the contrary:

(1) Any Nowthen firefighter whose employment with the city of Ramsey terminates during 2021 shall be considered as having worked 12 months of active service for 2021 and as having the status of active member of the association in good standing on December 31, 2021, for purposes of (i) allocating fire state aid, supplemental aid, contributions, forfeitures, interest, and investment earnings or losses; and (ii) deducting administrative expenses.

(2) The account of each Nowthen firefighter in the Ramsey relief association shall become 100 percent vested as of the date on which the Nowthen firefighter's employment with the city of Ramsey is or was terminated.

(3) The Nowthen firefighter shall be entitled to elect an immediate distribution of the Nowthen firefighter's account in the Ramsey relief association, which distribution may be paid, at the election of the Nowthen firefighter, in a lump sum directly to the Nowthen firefighter or in a direct rollover to an eligible retirement plan, as defined in Minnesota Statutes, section 356.635, subdivision 6, designated by the Nowthen firefighter.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 10. **FIRE STATE AID FOR NOWTHEN.**

For the purposes of fire state aid payable in 2022 under Minnesota Statutes, chapter 477B, the city of Nowthen will be considered as having satisfied the requirement under Minnesota Statutes, section 477B.02, subdivision 2, paragraph (b), to have provided firefighting services for at least one calendar year, if the city of Nowthen provides documentation of its fire department being in operation no later than December 31, 2021, to the commissioner of revenue no later than February 1, 2022.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 11. **PARTICIPATION IN THE PERA STATEWIDE VOLUNTEER FIREFIGHTER PLAN.**

Notwithstanding Minnesota Statutes, section 353G.05, subdivision 5, paragraph (c), coverage by the statewide volunteer firefighter plan of the volunteer firefighters employed by the city of Nowthen shall be effective on the date an election of coverage by the statewide volunteer firefighter plan is approved by the governing board of the city of Nowthen or, if later, on the date that the city of Nowthen satisfies all other requirements for coverage by the statewide volunteer firefighter plan under Minnesota Statutes, section 353G.05.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 12. **REPEALER.**

Laws 2020, chapter 108, article 14, section 1, is repealed.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

ARTICLE 7  
DEADLINE FOR AGENCY REQUESTS TO LCPR STAFF  
TO DRAFT BILLS

Section 1. **[356B.01] DEFINITIONS.**

(a) For the purposes of this chapter, each of the following terms has the meaning given, unless the context of the term indicates otherwise.

(b) "Agency" means:

(1) an agency as defined in section 14.02, subdivision 2; or

(2) the Minnesota state colleges and universities system governed by chapter 136F.

(c) "Commission" means the Legislative Commission on Pensions and Retirement.

(d) "Pension system" means:

(1) the Minnesota State Retirement System;

(2) the Public Employees Retirement Association;

(3) the Teachers Retirement Association; or

(4) the St. Paul Teachers Retirement Fund Association.

(e) "Volunteer firefighter relief association" has the meaning given to relief association in section 424A.001, subdivision 4.

Sec. 2. **[356B.02] DRAFTING PENSION AND RETIREMENT BILLS.**

(a) Notwithstanding section 3C.035, an agency or pension system intending to urge the legislature to adopt a bill affecting the pension system, one or more plans administered by the pension system, or one or more volunteer firefighter relief associations; or relating to pensions or retirement shall deliver the drafting request for the bill to the executive director of the commission no later than November 1 before the regular session of the legislature at which adoption will be urged.

(b) The executive director of the commission may accept a drafting request from an agency or a pension system after November 1 if the executive director of the commission determines that the request relates to a matter that could not reasonably have been foreseen by November 1 or for which the requester provides other reasonable justification for delay.

Sec. 3. **REPEALER.**

Minnesota Statutes 2020, section 356B.05, is repealed.

Sec. 4. **EFFECTIVE DATE.**

Sections 1 to 3 are effective the day following final enactment.

ARTICLE 8  
SESSION LAWS FOR INDIVIDUALS

Section 1. **INCREASING THE RETIREMENT BENEFIT FOR CERTAIN RETIRED STATE EMPLOYEE.**

Subdivision 1. **Benefit increase authorized.** An eligible person described in subdivision 2 shall be paid an increased benefit described in subdivision 3 from the general employees retirement plan of the Minnesota State Retirement System, notwithstanding any state law to the contrary.

Subd. 2. **Eligible person defined.** An eligible person is a person who:

(1) was born on June 29, 1955;

(2) was first covered by the Minnesota unclassified employees retirement program on January 12, 1987;

(3) was employed by the Minnesota House of Representatives from January 12, 1987, to January 3, 2011;

(4) elected to transfer from the unclassified program to the general employees retirement plan under Minnesota Statutes, section 352D.02, subdivision 3;

(5) was employed by the Department of Labor and Industry from April 27, 2011, to June 1, 2018;

(6) received a personalized benefit estimate dated November 17, 2017, and multiple annual statements from the Minnesota State Retirement System providing estimates of the eligible person's monthly retirement benefit that erroneously failed to incorporate a reduction for retirement before normal retirement age; and

(7) retired on June 2, 2018, and began to receive monthly retirement annuity payments that were lower than the amount shown in the personalized benefit estimate dated November 17, 2017.

Subd. 3. **Calculation of benefit increase.** The increased benefit is equal to the retirement annuity calculated under Minnesota Statutes, section 352.115, subdivision 3, paragraph (b), without the reduction for retirement before normal retirement age under Minnesota Statutes, section 352.116, subdivision 1a. No early retirement factor shall be applied to the eligible person's increased benefit. The increased benefit is payable to the eligible person retroactively from the eligible person's retirement date. Any postretirement adjustments, optional annuity, or reduction for an optional annuity must be calculated based on the increased benefit.

Subd. 4. **Limited applicability.** This section alters the amount of the benefit the eligible person is otherwise entitled to under Minnesota Statutes, section 352.115. This section does not otherwise replace general law.

**EFFECTIVE DATE.** This section is effective July 1, 2021.

Sec. 2. **TRANSFER OF PAST MSRS GENERAL SERVICE CREDIT TO MSRS CORRECTIONAL.**

Subdivision 1. **Definitions.** The following terms as used in this section have the meanings given in this subdivision:

(1) "Correctional plan" means the correctional employees retirement plan of the Minnesota State Retirement System.

(2) "Executive director" means the executive director of the Minnesota State Retirement System.

(3) "General plan" means the general state employees retirement plan of the Minnesota State Retirement System.

(4) "Service credit" means time credited as allowable service under Minnesota Statutes, section 352.01, subdivision 11, to an eligible person described in subdivision 3.

(5) "Transfer period" means the period from March 2, 2011, to March 19, 2020.

Subd. 2. **Transfer of past service credit authorized.** An eligible person described in subdivision 3 who makes payment to the correctional employees retirement fund required under subdivision 4 on or before one year following the effective date of this section, is entitled to have:

(1) the employer payment made on the eligible person's behalf under subdivision 5; and

(2) applicable past service credit transferred from the general plan to the correctional plan for the transfer period under subdivision 6.

Subd. 3. **Eligible person.** An eligible person is a person who meets all of the following requirements:

(1) The person has service credit in the general plan from August 15, 1990, to March 19, 2020.

(2) The person was employed by the Department of Human Services at the St. Peter State Hospital as a customer services specialist principal from March 2, 2011, until at least January 27, 2021.

(3) The commissioner of human services has certified to the executive director that the person spent at least 75 percent of the person's working time in direct contact with patients, during the period of the person's employment under clause (2).

(4) The person has service credit in the correctional plan beginning March 20, 2020.

Subd. 4. **Payment by eligible person.** (a) An eligible person may pay to the executive director the difference between the employee contribution rate for the general plan and the employee contribution rate for the correctional plan for the transfer period. The difference between the two rates must be applied to the eligible person's salary at the time that each contribution would have been deducted from pay if the eligible person had been covered by the correctional plan for the transfer period. The payment must include interest at the applicable annual rate or rates specified in Minnesota Statutes, section 356.59, subdivision 2, calculated from the date that each contribution would have been deducted to the date that payment is made.

(b) The payment under paragraph (a) must be made in a lump sum no later than one year following the effective date. Upon receipt of the payment, the executive director must notify the commissioner of human services that payment was made and of the amount owed under subdivision 5.

Subd. 5. **Payment by the Department of Human Services.** If an eligible person makes the payment under subdivision 4, the Department of Human Services, on behalf of the eligible person, shall pay to the executive director the actuarial present value of the additional benefit resulting from the transferred service credit less the payment made under subdivision 4. This amount must be paid by the Department of Human Services in a lump sum within 30 days after the date on which the executive director notifies the commissioner of human services under subdivision 4.

Subd. 6. **Transfer of assets and service credit.** (a) If the payments under subdivisions 4 and 5 are made, the executive director must transfer assets from the general state employees retirement fund to the correctional employees retirement fund in an amount equal to the actuarial present value of the benefits earned by the eligible person under the general plan during the transfer period. The transfer of assets must be made within 15 days after receipt of the payments under subdivisions 4 and 5.

(b) Upon transfer of the assets under paragraph (a), the eligible person shall have service credit in the correctional plan and no service credit in the general plan for the transfer period.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

ARTICLE 9  
WORK GROUPS FOR 911 TELECOMMUNICATORS  
AND SUPPLEMENTAL STATE AID

Section 1. **WORKING GROUP TO STUDY 911 TELECOMMUNICATOR PENSION BENEFITS.**

Subdivision 1. **Membership.** (a) The executive director of the Legislative Commission on Pensions and Retirement shall convene a working group for the purpose of studying 911 telecommunicator pension benefits. The working group must consist of the following:

- (1) a representative from the Association of Minnesota Counties;
- (2) a representative from the League of Minnesota Cities;
- (3) a representative from the Minnesota Inter-County Association;
- (4) a representative from the Department of Public Safety;
- (5) a representative from the Minnesota Association of Public Safety Communications Officials (MN APCO) or the National Emergency Number Association of Minnesota (NENA of MN);
- (6) the executive director of the Public Employees Retirement Association, or the executive director's designee;
- (7) the executive director of the Minnesota State Retirement System, or the executive director's designee;
- (8) a 911 telecommunicator who works for a county or municipality;
- (9) a 911 telecommunicator who works for the state;

(10) a member of the public employees local government correctional service retirement plan; and

(11) a member of the state correctional employees retirement plan.

(b) In addition to the working group members listed in paragraph (a), the executive director may invite any other individuals with expertise or experience that the executive director believes will assist the work of the group to participate as members of or advisors to the group. The organizations specified in paragraph (a), clauses (1) to (7), must provide the executive director with a designated member to serve on the working group by June 15, 2021.

Subd. 2. **Duties; report.** The working group must submit a report to the Legislative Commission on Pensions and Retirement by March 1, 2022. The report must recommend whether changes to the pension plan coverage for 911 telecommunicators are appropriate. If the working group finds that such changes are appropriate, the working group must recommend changes to the pension plan coverage for 911 telecommunicators. The recommended changes may include but are not limited to moving 911 telecommunicators to the correctional plans.

Subd. 3. **First meeting; chair.** The executive director must convene the first meeting of the working group by August 1, 2021. At the first meeting, the members must elect a chair. The working group may conduct meetings remotely.

Subd. 4. **Compensation; lobbying; retaliation.** (a) Members serve without compensation.

(b) Participation in the working group shall not be considered lobbying under Minnesota Statutes, chapter 10A.

(c) An individual's employer or an association of which an individual is a member shall not retaliate against the individual because of the individual's participation in the working group.

Subd. 5. **Administrative support.** The executive director must provide administrative support for the working group.

Subd. 6. **Expiration.** The working group expires June 30, 2022.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 2. **SUPPLEMENTAL STATE AID WORK GROUP.**

(a) The state auditor shall convene a Supplemental State Aid Work Group to discuss and articulate options to the Legislative Commission on Pensions and Retirement on changing the method of allocating police and firefighter retirement supplemental state aid under Minnesota Statutes, section 423A.022.

(b) The scope of the work group is limited to supplemental state aid paid to municipalities other than municipalities solely employing firefighters with retirement coverage provided by the public employees police and fire retirement plan.

(c) The work group must:

(i) consider 2021 Senate File No. 609; House File No. 419, including the discussion and testimony on the bills at the meeting of the commission on March 23, 2021, and

(ii) address the disparities in the allocation of fire state aid among fire departments.

(d) Members of the work group shall include:

(1) two representatives of Minnesota cities, appointed by the League of Minnesota Cities;

(2) two representatives of Minnesota towns, appointed by the Minnesota Association of Townships;

(3) two representatives of Minnesota fire chiefs, appointed by the Minnesota State Fire Chiefs Association;

(4) two representatives of Minnesota volunteer firefighters who are active volunteer firefighters, appointed by the Minnesota State Fire Departments Association;

(5) one representative of the State Fire Marshal Division of the Department of Public Safety, designated by the commissioner of public safety;

(6) the executive director of the Public Employees Retirement Association or the executive director's designee; and

(7) one representative of the Department of Revenue, designated by the commissioner of revenue.

(e) Additionally, a staff member of the Legislative Commission on Pensions and Retirement shall attend the meetings of the work group to provide background information as requested by members.

(f) The state auditor shall chair the work group. The work group may conduct meetings remotely.

(g) The work group shall submit a report by December 31, 2022, to the chair, vice-chair, and executive director of the Legislative Commission on Pensions and Retirement.

(h) The work group expires on June 30, 2023.

**EFFECTIVE DATE.** This section is effective June 30, 2021.

#### ARTICLE 10 TECHNICAL CLARIFICATIONS AND CORRECTIONS

Section 1. Minnesota Statutes 2020, section 353E.02, subdivision 2, is amended to read:

Subd. 2. **Local government correctional service employee.** (a) A local government correctional service employee, for purposes of subdivision 1, is a person whom the employer certifies:

(1) is employed in a county correctional institution as a correctional guard or officer, a joint jailer/dispatcher, or as a supervisor of correctional guards or officers or of joint jailers/dispatchers;

(2) is directly responsible for the direct security, custody, and control of the county correctional institution and its inmates;

(3) is expected to respond to incidents within the county correctional institution as part of the person's regular employment duties and is trained to do so; and

(4) is a "public employee" as defined in section 353.01, but is not a member of the public employees police and fire ~~fund~~ plan.

(b) The certification required under paragraph (a) must be made in writing on a form prescribed by the executive director of the Public Employees Retirement Association.

(c) A person who was a member of the local government correctional service retirement plan on May 15, 2000, remains a member of the plan after May 16, 2000, for the duration of the person's employment in that county correctional institution position, even if the person's subsequent service in this position does not meet the requirements set forth in paragraph (a).

Sec. 2. Minnesota Statutes 2020, section 356.635, subdivision 1, is amended to read:

Subdivision 1. **Retirement benefit commencement.** (a) The retirement benefit of a member ~~who has terminated employment or participant~~ must begin to be distributed or, if a lump sum, be distributed no later than ~~the later of the member's or participant's required beginning date.~~ "Required beginning date" means April 1 of the calendar year following the later of (1) the calendar year that in which the member or the participant attains the federal minimum distribution age under specified in section 401(a)(9) (C)(i)(I) of the Internal Revenue Code, or April 1 of (2) the calendar year following the calendar year in which the member terminated or participant terminates employment.

(b) A pension or defined contribution plan shall not be required to obtain the consent requirements of section 411(a)(11) of the Internal Revenue Code do not apply to the extent that a of a member or participant to a distribution if the distribution is required to satisfy the requirements of section 401(a)(9) of the Internal Revenue Code paragraph (a).

Sec. 3. Minnesota Statutes 2020, section 424A.01, subdivision 2, is amended to read:

Subd. 2. **Status of substitute volunteer firefighters.** No person who is serving as a substitute volunteer firefighter may be considered to be a firefighter for purposes of chapter ~~69~~ 477B or this chapter and no substitute volunteer firefighter is authorized to be a member of any volunteer firefighters relief association governed by chapter ~~69~~ 477B or this chapter.

Sec. 4. Minnesota Statutes 2020, section 424A.016, subdivision 4, is amended to read:

Subd. 4. **Individual accounts.** (a) An individual account must be established for each firefighter who is a member of the relief association.

(b) To each individual active member account must be credited an equal share of:

(1) any amounts of fire state aid and police and firefighter retirement supplemental state aid received by the relief association;

(2) any amounts of municipal contributions to the relief association raised from levies on real estate or from other available municipal revenue sources exclusive of fire state aid; and

(3) any amounts equal to the share of the assets of the special fund to the credit of:

(i) any former member who terminated active service with the fire department to which the relief association is associated before meeting the minimum service requirement provided for in subdivision 2, paragraph (b), and has not returned to active service with the fire department for a period no shorter than five years; or

(ii) any retired member who retired before obtaining a full nonforfeitable interest in the amounts credited to the individual member account under subdivision 2, paragraph (b), and any applicable provision of the bylaws of the relief association.

(c) In addition, any investment return on the assets of the special fund must be credited in proportion to the share of the assets of the special fund to the credit of each individual active member account and inactive member account, unless the inactive member is a deferred member as defined in subdivision 6.

(d) Administrative expenses of the relief association payable from the special fund may be deducted from individual accounts in a manner specified in the bylaws of the relief association.

(e) Amounts to be credited to individual accounts must be allocated uniformly for all years of active service and allocations must be made for all years of service, except for caps on service credit if so provided in the bylaws of the relief association. Amounts forfeited under paragraph (b), clause (3), before a resumption of active service and membership under section 424A.01, subdivision 6, remain forfeited and may not be reinstated upon the resumption of active service and membership. The allocation method may utilize monthly proration for fractional years of service, as the bylaws or articles of incorporation of the relief association so provide. The bylaws or articles of incorporation may define a "month," but the definition must require a calendar month to have at least 16 days of active service. If the bylaws or articles of incorporation do not define a "month," a "month" is a completed calendar month of active service measured from the member's date of entry to the same date in the subsequent month.

(f) ~~At the time of retirement that the payment of a service pension commences~~ under subdivision 2 and any applicable provision of the bylaws of the relief association, a retiring member is entitled to that portion of the assets of the special fund to the credit of the member in the individual member account which is nonforfeitable under subdivision 3 and any applicable provision of the bylaws of the relief association based on the number of years of service to the credit of the retiring member.

(g) Annually, the secretary of the relief association shall certify the individual account allocations to the state auditor at the same time that the annual financial statement or financial report and audit of the relief association, whichever applies, is due under section 424A.014.

Sec. 5. Minnesota Statutes 2020, section 424A.10, subdivision 2, is amended to read:

Subd. 2. **Payment of supplemental benefit.** (a) Upon the payment by a volunteer firefighters relief association or by the statewide lump-sum volunteer firefighter plan of a lump-sum distribution to a qualified recipient, the association or retirement plan, as applicable, must pay a supplemental benefit to the qualified recipient. Notwithstanding any law to the contrary, the relief association must pay the supplemental benefit out of its special fund and the statewide lump-sum volunteer firefighter plan must pay the supplemental benefit out of the statewide lump-sum volunteer firefighter plan. This benefit is an amount equal to ten percent of the regular lump-sum distribution that is paid on the basis of the recipient's service as a volunteer firefighter. In no case may the amount of the supplemental benefit exceed \$1,000. A supplemental benefit under this paragraph may not be paid to a survivor of a deceased active or deferred volunteer firefighter in that capacity.

(b) Upon the payment by a relief association or the retirement plan of a lump-sum survivor benefit to a survivor of a deceased active volunteer firefighter or of a deceased deferred volunteer firefighter, the association or retirement plan, as applicable, must pay a supplemental survivor benefit to the survivor of the deceased active or deferred volunteer firefighter from the special fund of the relief association and the retirement plan must pay a supplemental survivor benefit to the survivor of the deceased active or deferred volunteer firefighter from the retirement fund if chapter 353G so provides. The amount of the supplemental survivor benefit is 20 percent of the survivor benefit, but not to exceed \$2,000.

(c) For purposes of this section, the term "regular lump-sum distribution" means the pretax lump-sum distribution excluding any interest that may have been credited during a volunteer firefighter's period of deferral.

(d) An individual may receive a supplemental benefit under paragraph (a) or under paragraph (b), but not under both paragraphs with respect to one lump-sum volunteer firefighter benefit.

Sec. 6. **[424B.001] APPLICATION OF CHAPTER 424A.**

This chapter must be read in conjunction with chapter 424A. For the purposes of this chapter, the definitions and other provisions of chapter 424A apply where not inconsistent with this chapter.

Sec. 7. Minnesota Statutes 2020, section 424B.01, subdivision 3a, is amended to read:

Subd. 3a. **Conversion effective date.** "Conversion effective date" means the date designated by the board of trustees under section 424B.13, subdivision 2, on which the assets of the defined benefit plan have been allocated to accounts under the defined contribution plan.

Sec. 8. Minnesota Statutes 2020, section 424B.01, subdivision 3b, is amended to read:

Subd. 3b. **Defined benefit plan.** "Defined benefit plan" means a retirement plan that provides a retirement benefit ~~that is a lump sum, the amount of which is determined by multiplying the applicable lump sum service pension amount under section 424A.02, subdivision 3, paragraph (d), by years of service, or a monthly pension, the amount of which is determined by multiplying the applicable monthly pension amount under section 424A.02, subdivision 3, paragraph (e), by years of service. A defined benefit plan may provide both a lump sum benefit and a monthly pension under section 424A.02.~~

Sec. 9. Minnesota Statutes 2020, section 424B.01, subdivision 3d, is amended to read:

Subd. 3d. **Defined contribution plan.** "Defined contribution plan" means a retirement plan that provides a retirement benefit ~~based on the member's individual account balance~~ under section 424A.016.

Sec. 10. Minnesota Statutes 2020, section 424B.01, subdivision 3g, is amended to read:

Subd. 3g. **Member.** (a) "Member" means a person:

(1) who is ~~a member of~~ or was employed by or who provides or provided services to a fire department or independent nonprofit firefighting corporation;

(2) who has been credited with at least one year of service toward a retirement benefit under the retirement plan of a relief association that is affiliated with the fire department or independent nonprofit firefighting corporation; and

(3) whose retirement benefit under the retirement plan has not yet been distributed in a lump sum or has not yet begun to be distributed in periodic installments or as a monthly pension.

(b) A member may be an active firefighter, an inactive firefighter, or a former firefighter who has a benefit under the retirement plan but has not become eligible to receive the benefit.

Sec. 11. Minnesota Statutes 2020, section 424B.01, subdivision 3h, is amended to read:

Subd. 3h. **Municipality.** "Municipality" ~~means a city or township that has established a fire department with which the relief association is affiliated, a city or township that has entered into a contract with an independent nonprofit firefighting corporation with which the relief association is affiliated, or a city or township that has entered into a joint powers agreement under section 471.59 with one or more cities or townships to operate a fire department with which the relief association is affiliated~~ has the meaning given in section 424A.001, subdivision 3. A reference in chapter 424B to municipality in connection with a power that may be exercised by or a requirement that is imposed on the municipality means each city or township that is party to a joint powers agreement, unless the joint powers agreement identifies one city or township with the authority to act on behalf of the other parties to the agreement or with the responsibility for fulfilling requirements imposed on the other parties to the agreement.

Sec. 12. Minnesota Statutes 2020, section 424B.01, subdivision 3i, is amended to read:

Subd. 3i. **Other benefit recipient.** "Other benefit recipient" means:

(1) a person who is entitled to receive all or a portion of the benefit of a ~~member participant~~ member participant under a retirement plan due to the person having one of the following relationships to the ~~member participant~~ member participant:

(i) the ~~member's~~ participant's surviving spouse;

(ii) the ~~member's~~ participant's former spouse who is the alternate payee under a state domestic relations order that meets the requirements of section 414(p) of the Internal Revenue Code or who is a recipient of a court-ordered distribution of marital property, as provided in section 518.58; or

(iii) a nonspousal beneficiary of the ~~member~~ participant; or

(2) the ~~member's~~ participant's estate.

Sec. 13. Minnesota Statutes 2020, section 424B.01, is amended by adding a subdivision to read:

Subd. 3j. **Participant.** (a) Under a defined contribution plan, "participant" means any individual who provides services to or is employed by a municipality or firefighting corporation and who satisfies the eligibility requirements to receive an allocation to the individual's account under the defined contribution plan. An individual who becomes a participant and has an account in the plan to which an allocation was credited shall be considered a participant until the earlier of the individual's death or the distribution or forfeiture of the individual's entire account in the plan.

(b) Under a defined benefit plan, "participant" means any individual who provides services to or is employed by a municipality or firefighting corporation and who satisfies the eligibility requirements to begin to accrue a benefit under the defined benefit plan. An individual who becomes a participant and has accrued a benefit under the plan shall be considered a participant until the earlier of the individual's death or the distribution or forfeiture of the individual's entire accrued benefit under the plan.

(c) If an individual satisfies paragraph (a) or (b), the individual must be considered a participant, notwithstanding other terms used in applicable law or the relief association's articles or bylaws to describe the individual. A participant includes a member, active member, deferred member, inactive member, and retiree in pay status.

Sec. 14. Minnesota Statutes 2020, section 424B.01, subdivision 4a, is amended to read:

~~Subd. 4a. **Relief association.** (a) "Relief association" or "volunteer firefighter relief association" means a nonprofit corporation incorporated under or governed by chapter 317A that is a governmental entity that receives and manages public money to provide retirement benefits for individuals providing the governmental services of firefighting and emergency first response, is subject to chapter 424A, and is affiliated with: (1) a fire department established by municipal ordinance; (2) an independent nonprofit firefighting corporation incorporated under chapter 317A; or (3) a fire department operated as or by a joint powers entity. (b) Relief association or volunteer firefighters relief association does not mean the statewide volunteer firefighter plan governed by chapter 353G has the meaning given in section 424A.001, subdivision 4.~~

Sec. 15. Minnesota Statutes 2020, section 424B.01, subdivision 5b, is amended to read:

~~Subd. 5b. **Retiree in pay status.** "Retiree in pay status" means a former member who left employment or service as an active firefighter, has reached at least age 50, and participant who is receiving a monthly pension or periodic installment payments from a retirement plan.~~

Sec. 16. Minnesota Statutes 2020, section 424B.01, subdivision 5c, is amended to read:

~~Subd. 5c. **Retirement benefit.** "Retirement benefit" means the benefit to which a ~~member~~ participant is entitled under a retirement plan.~~

Sec. 17. Minnesota Statutes 2020, section 424B.04, subdivision 3, is amended to read:

Subd. 3. **Board administration.** The board of trustees must administer the affairs of the relief association consistent with this chapter and the applicable provisions of chapters ~~69~~, 356A, ~~and 424A~~, and 477B.

Sec. 18. Minnesota Statutes 2020, section 424B.13, subdivision 2, is amended to read:

Subd. 2. **Board of trustees.** To initiate and complete a conversion, the board of trustees must:

(1) approve resolutions that:

(i) state that the defined benefit plan is being converted to a defined contribution plan;

(ii) designate a conversion effective date;

(iii) direct that each participant, except any retiree in pay status who is receiving a monthly service pension from a relief association described in section 424A.093, becomes fully vested as of the conversion effective date in each member's lump-sum benefit or monthly pension, such that each member is 100 percent vested in the member's lump-sum the participant's retirement benefit or monthly pension;

(iv) if the relief association has a surplus as of the end of the relief association's most recent fiscal year before the conversion effective date, at the option of the board of trustees, conditionally increase the lump-sum benefit or monthly pension amount under the defined benefit plan, as provided under subdivision 4;

(v) determine the method for allocating a surplus;

(vi) adopt a defined contribution plan and approve a plan document that complies with section 424A.016 and states the terms and conditions for eligibility, vesting, allocation of contributions, distribution of retirement benefits, and any ancillary benefits; and

(vii) authorize any bylaws amendments needed to incorporate items (i) to (vi) into the bylaws;

(2) obtain the consent of the municipality or firefighting corporation if required by subdivision 3;

(3) determine the present value of each ~~member's~~ participant's accrued benefit as of the conversion effective date as required by subdivision 5;

(4) if there is a surplus, allocate the surplus under a method that complies with subdivision 6;

(5) if there is not a surplus, take the actions required under subdivision 7;

(6) provide the notices required under subdivisions 8 and 9; and

(7) implement the conversion, including the requirements under subdivision 10.

Sec. 19. Minnesota Statutes 2020, section 424B.13, subdivision 4, is amended to read:

Subd. 4. **Benefit increase.** (a) If the relief association has a surplus as of the end of the relief association's most recent fiscal year before the conversion effective date, the board of trustees may approve a resolution that increases the lump-sum benefit or monthly pension amount or both the lump-sum and monthly pension amount, if the relief association offers both, and amends the relief association bylaws without the consent of the affiliated municipality or

firefighting corporation, notwithstanding section 424A.02, subdivision 10. The resulting lump-sum benefit or monthly pension amount is not limited to the maximum lump-sum benefit or monthly pension amounts under section 424A.02, subdivision 3.

(b) The benefit increase must not cause the liabilities of the retirement plan to exceed the value of the assets, after taking into account full vesting as required under subdivision 2 and any administrative expenses arising from the conversion.

(c) The board of trustees shall specify whether the benefit increase will apply only to participants who are members active as of the conversion effective date or whether the benefit increase will apply to all ~~members~~ participants, including members who are not active as of the conversion effective date, notwithstanding section 424A.015, subdivision 6.

(d) The board of trustees' resolution approving an increase in the benefit level must be considered conditional on there being sufficient assets to fund the increase and must state that if, as of the date benefits are transferred to the defined contribution plan, there are not sufficient assets to cover all benefit liabilities at the new higher benefit level, the benefit level will be reduced until assets equal or are greater than liabilities. The resolution must state that the new lower benefit level will be considered approved by the board of trustees without further action by the board.

Sec. 20. Minnesota Statutes 2020, section 424B.13, subdivision 5, is amended to read:

Subd. 5. **Determination of value of pension benefits and distribution to ~~former members~~ retirees in pay status.** (a) The board of trustees shall determine the present value of each ~~member's~~ participant's accrued benefit, taking into account the full vesting requirement under subdivision 2 and any increase in the lump-sum benefit or monthly pension amount approved under subdivision 4:

(1) using the method set forth in section 424A.092, subdivision 2, for determining a plan's funded status by calculating the value of each ~~firefighter's~~ participant's accrued benefit; or

(2) as determined by an actuary retained by the relief association, who meets the definition of approved actuary under section 356.215, subdivision 1, paragraph (c).

(b) If the retirement plan pays a monthly pension, the board of trustees shall determine the present value of the remaining payments to any ~~former member~~ retiree in pay status or beneficiary who is receiving an annuity. Present value shall be determined by an actuary who meets the definition of approved actuary under section 356.215, subdivision 1, paragraph (c), retained by the relief association. The relief association shall offer the ~~former member~~ retiree in pay status or beneficiary receiving the annuity:

(1) an immediate lump-sum distribution of an amount equal to the present value of the remaining payments as determined by the actuary and permit the ~~former member~~ retiree in pay status or beneficiary to elect a lump-sum payment or a direct rollover of the amount to an eligible retirement plan as permitted under section 356.635, subdivisions 3 to 7, if the distribution is an eligible rollover distribution as defined in section 356.635, subdivisions 4 and 5; or

(2) continued payments in the same monthly amount under an annuity to be purchased by the board of trustees from a reputable insurance company licensed to do business in the state.

Sec. 21. Minnesota Statutes 2020, section 424B.13, subdivision 6, is amended to read:

Subd. 6. **Allocation of surplus.** (a) If, as of the conversion effective date, the defined benefit plan has a surplus, the board of trustees shall allocate the surplus as follows:

(1) per capita method: each ~~member's~~ participant's account will receive the same dollar amount;

(2) service-based method: each ~~member's~~ participant's account will receive a share of the surplus based on the ratio of the ~~member's~~ participant's years of service to the total years of service for all ~~members~~ participants; or

(3) ~~member~~ participant and municipality sharing method under paragraph (b).

(b) The board of trustees may allocate the surplus using the ~~member~~ participant and municipality sharing method in accordance with this paragraph.

(1) For this purpose, "municipality" means "municipality" or "firefighting corporation," as applicable.

(2) If the fire department is operated by more than one municipality under a joint powers agreement:

(i) any consent by the municipality under this paragraph requires consent by each municipality that is party to the joint powers agreement;

(ii) any payment of surplus to the municipality under this paragraph requires a payment of a pro rata share of surplus to each municipality that is party to the joint powers agreement; and

(iii) any restrictions on the use of surplus applies to each municipality that is party to the joint powers agreement.

(3) Under the ~~member~~ participant and municipality sharing method:

(i) first, the municipality will receive a share of the surplus based on the ratio of the municipal contributions made to the defined benefit relief association over a specified period of years to the total of fire state aid paid and municipal contributions made to the defined benefit relief association over the same period; and

(ii) second, any remaining surplus will be allocated to accounts of ~~members~~ participants using the per capita or service-based method.

(4) The board of trustees may impose conditions on the use of the surplus by the municipality, as follows:

(i) all or a specified portion of the surplus must be contributed back to the defined contribution relief association over a specified number of future years for allocation to the accounts of ~~members~~ participants eligible for an allocation;

(ii) all or a specified portion of the surplus must be used by the municipality for the purposes described in section 424A.08, paragraph (a) or (b); or

(iii) all or a specified portion of the surplus must be used by the municipality to provide health insurance or other welfare benefits for the ~~members~~ participants.

(c) The board of trustees shall specify whether the surplus will be allocated only to participants who are members who are active firefighters as of the conversion effective date or whether the surplus will be allocated to all ~~members~~ participants, including members who are not active ~~firefighters~~ as of the conversion effective date.

Sec. 22. Minnesota Statutes 2020, section 424B.13, subdivision 8, is amended to read:

Subd. 8. **Notice to ~~members~~ participants.** The board of trustees shall provide notice to all ~~members~~ participants at least 90 days before the conversion effective date. The notice shall include:

(1) an explanation that the plan is converting from a defined benefit plan to a defined contribution plan and provide definitions for those terms, the reasons for the conversion, the conversion effective date, and the procedure to be followed, including fully vesting all ~~members~~ participants;

(2) a summary of the terms of the newly adopted defined contribution plan;

(3) information about any increase in the benefit level and whether the increase applies to all participants or only active members or ~~only active firefighters~~;

(4) a section tailored to each ~~member~~ participant that provides an estimate of the present value of the ~~member's~~ participant's fully vested accrued benefit and the calculation that resulted in that value;

(5) an estimate of any anticipated surplus and an explanation of the disposition of the surplus, including, as applicable, a description of the method allocating the surplus among ~~members'~~ participants' accounts and whether the municipality, each municipality, if more than one municipality operates the fire department pursuant to a joint powers agreement, or firefighting corporation will receive any of the surplus and any conditions on its use; and

(6) contact information for one or more members of the board of trustees who will answer questions and provide a copy of the new defined contribution plan document or a summary, if requested, or directions to a website for viewing and printing the plan document or summary.

Sec. 23. Minnesota Statutes 2020, section 424B.13, subdivision 9, is amended to read:

Subd. 9. **Notice to municipality and state auditor.** The relief association shall provide notice to the municipality, each municipality, if more than one municipality operates the fire department pursuant to a joint powers agreement, or firefighting corporation affiliated with the relief association and the state auditor at the same time as the notice required under subdivision 8. The notice must include the information required under subdivision 8, except that the individualized information will be provided as a spreadsheet listing the name of each ~~firefighter~~ participant and the corresponding accrued benefit amount.

Sec. 24. Minnesota Statutes 2020, section 424B.13, subdivision 10, is amended to read:

Subd. 10. **Implementation.** (a) A record-keeping account shall be established for each ~~member~~ participant under the defined contribution plan to which is recorded the value of the ~~firefighter's~~ participant's fully vested accrued benefit as determined as of the conversion effective date and the amount of any surplus allocated to the ~~firefighter's~~ participant's account.

(b) In no event may the value of a ~~member's~~ participant's account in the defined contribution plan be less as of the day following the conversion effective date than the present value of the ~~member's~~ participant's accrued benefit as of the day before the conversion effective date.

Sec. 25. Minnesota Statutes 2020, section 424B.22, subdivision 1, is amended to read:

Subdivision 1. **Application.** (a) Notwithstanding any laws to the contrary, this section applies to:

(1) the termination of a retirement plan established and administered by a relief association, whether or not the relief association is also dissolved or eliminated; and

(2) the dissolution of a relief association that is not consolidating with another relief association under sections 424B.01 to 424B.10.

This section does not apply to the dissolution of a relief association or the termination of a retirement plan that occurs due to the change in retirement coverage from a retirement plan administered by a relief association to the Public Employees Retirement Association statewide volunteer firefighter plan under section 353G.06.

(b) To terminate a retirement plan, the board of trustees must comply with subdivisions 3, 5 to 11, and, if desired, subdivision 4.

(c) To dissolve a relief association, the board of trustees of the relief association must:

(1) terminate the retirement plan in accordance with ~~this section~~ paragraph (b);

(2) determine all legal obligations of the special and general funds of the relief association, as required by subdivision 5;

(3) take the actions required by subdivision 12; and

(4) comply with the requirements governing dissolution of nonprofit corporations under chapter 317A.

(d) A relief association that terminates its retirement plan must liquidate its special fund as provided in subdivision 8, but need not liquidate its general fund if the relief association is not being dissolved.

Sec. 26. Minnesota Statutes 2020, section 424B.22, subdivision 2, is amended to read:

**Subd. 2. Involuntary dissolution and termination.** (a) A relief association is dissolved and the retirement plan administered by the relief association is terminated automatically if:

(1) the fire department affiliated with a relief association is dissolved by action of the governing body of the municipality in which the fire department is located or by the governing body of the independent nonprofit firefighting corporation, whichever applies; or

(2) the fire department affiliated with a relief association has terminated the employment or services of all active ~~firefighters covered by~~ members of the relief association.

(b) An involuntary termination of a relief association under this subdivision is effective on the December 31 that is at least eight months after the date on which the fire department is dissolved or the termination of employment or services of all active ~~firefighters~~ members of the relief association occurs.

(c) The retirement plan administered by a relief association is terminated automatically if the relief association is dissolved, effective on the date of the dissolution of the relief association.

Sec. 27. Minnesota Statutes 2020, section 424B.22, subdivision 3, is amended to read:

**Subd. 3. Retirement plan termination date, full vesting, and forfeitures.** (a) Unless subdivision 2 applies, the effective date of the termination of a retirement plan is the date approved by the board of trustees of the relief association. ~~If the board of trustees does not approve a termination date, the effective date of the termination of a retirement plan is the~~ effective date of the dissolution of the relief association or, if the relief association is not being dissolved, the end of the calendar year in which the termination of employment or services of all active firefighters ~~has been terminated, unless the board of trustees of the relief association approves a different termination date~~ members of the relief association occurs.

(b) As of the earlier of the retirement plan termination date or the date on which the termination of employment or services of all active firefighters ~~have been terminated~~ members of the relief association occurs, each ~~member participant~~ member participant becomes fully (100 percent) vested in the ~~member's participant's~~ member's participant's retirement benefit under the retirement plan, notwithstanding any bylaws or laws to the contrary, except ~~as provided in paragraph (e) for any retiree in pay status who is receiving a monthly service pension from a relief association described in section 424A.093.~~

(c) If the relief association is a defined contribution relief association, the account of each ~~member~~ participant who becomes 100 percent vested under paragraph (b) shall include an allocation of any forfeiture that is required, under the bylaws of the relief association, to occur on or as of the end of the calendar year during which the termination of the retirement plan is effective, if the ~~member~~ participant is entitled to an allocation of forfeitures under the bylaws. Any account so forfeited shall not be included in the retirement benefits that become 100 percent vested under paragraph (b).

Sec. 28. Minnesota Statutes 2020, section 424B.22, subdivision 4, is amended to read:

Subd. 4. **Benefit increase.** (a) Notwithstanding section 424A.02, subdivision 10, the board of trustees of a relief association may increase the benefit amount under a defined benefit relief association without the consent of the affiliated municipality or independent nonprofit firefighting corporation, as provided in this subdivision.

(b) If the retirement plan being terminated is a defined benefit plan, the board of trustees may approve an amendment to the bylaws of the relief association to increase the lump-sum or monthly pension amount or both the lump and monthly pension amount, if the relief association offers both, up to 125 percent of the largest maximum lump-sum service pension amount or service pension amount payable per month in effect under paragraph (c) or (d), respectively, of section 424A.02, subdivision 3, without regard to the relief association's minimum average amount of available financing per firefighter. The amount by which the lump-sum or monthly pension amount is increased must not cause the liabilities of the retirement plan to exceed the value of the assets, after taking into account full vesting as required under subdivision 3 and any administrative expenses.

(c) The board of trustees shall specify whether the benefit increase will apply to only participants who are members active as of the date of the termination of the retirement plan or whether the benefit increase will apply to all ~~members~~ participants, including members who are not active as of the plan termination date.

Sec. 29. Minnesota Statutes 2020, section 424B.22, subdivision 5, is amended to read:

Subd. 5. **Determination of assets and liabilities.** (a) The board of trustees shall determine the following as of the date of termination of the retirement plan:

(1) the fair market value of the assets of the special fund;

(2) the present value of each ~~member's~~ participant's accrued benefit, taking into account full vesting under subdivision 3 and any increased lump-sum or monthly benefit level approved under subdivision 4;

(3) the present value of any benefit remaining to be paid to each retiree in pay status, if any; and

(4) administrative expenses incurred or reasonably anticipated to be incurred through the date on which all retirement benefits have been distributed or transferred or, if later, the effective date of the dissolution of the relief association.

(b) The board of trustees shall compile a schedule that includes the following information:

(1) the name of each ~~member and~~ participant, including each retiree in pay status to whom a benefit or pension is or will be owed;

(2) the name of each other benefit recipient to whom a benefit or pension is or will be owed; and

(3) for each individual described in clauses (1) and (2), the amount of the benefit or pension to which the individual is entitled under the bylaws of the relief association, taking into account the changes required or permitted by this section, the corresponding number of years of service on which the benefit or pension is based, and the earliest date on which the benefit or pension would have been payable under the bylaws of the relief association.

(c) If the relief association is dissolving, in addition to the determination under paragraph (a) for the retirement plan, the board of trustees shall determine, as of the effective date of the dissolution of the relief association, the legal obligations of the general fund of the relief association.

Sec. 30. Minnesota Statutes 2020, section 424B.22, subdivision 7, is amended to read:

Subd. 7. **Allocation of surplus.** (a) If the retirement plan is a defined benefit plan and if, after completing the determination of assets, liabilities, and administrative expenses under subdivision 5, there is a surplus, the board of trustees shall transfer to the affiliated municipality the lesser of (1) the amount of the surplus, or (2) the sum of all required contributions, without investment earnings or interest thereon, made by the municipality to the relief association during the year in which the termination of the retirement plan occurs or during the preceding nine years.

(b) If the affiliated municipality did not make any required contributions to the relief association during the current or preceding nine years or if, after the transfer described in paragraph (a), there is surplus remaining, the relief association and the municipality will mutually agree on an allocation between them of the remaining surplus.

(c) If, within 180 days of the date of termination of the retirement plan, the municipality and relief association have not reached an agreement on the allocation of the surplus under paragraph (b), then 50 percent of the surplus shall be retained by the relief association and 50 percent of the surplus shall be transferred to the affiliated municipality.

(d) Any surplus retained by the relief association under paragraph (c) shall be allocated among all ~~members~~ participants eligible to share in the surplus in the same proportion that the present value of the accrued benefit for each eligible ~~member~~ participant bears to the total present value of the accrued benefits of all ~~members~~ participants eligible to share in the surplus, and each eligible ~~member's~~ participant's benefit, as determined under subdivision 5, paragraph (a), clause (2), shall be increased by the ~~member's~~ participant's share of the surplus. The board of trustees shall determine eligibility to share in the surplus, which may include ~~any of the following, in addition to firefighters active as of the date on which members became 100 percent vested: (1) inactive firefighters; (2) former firefighters with a deferred benefit under the retirement plan; and (3) retirees in pay status~~ all participants and any ~~other firefighters~~ former participants who, within the last three years or such other number of years as determined by the board of trustees, separated from active service and ~~(i) received their retirement benefit, or (ii) began to receive distribution of a retirement benefit in installments or as a monthly pension.~~

If the board of trustees decides to include ~~the individuals described in clause (3) former participants~~ in the allocation of the surplus, the board of trustees shall modify the method for allocating the surplus to take into account ~~such individuals~~ the former participants.

(e) Any amount of surplus transferred to the affiliated municipality under this subdivision may only be used for the purposes described in section 424A.08, paragraph (a) or (b).

Sec. 31. Minnesota Statutes 2020, section 424B.22, subdivision 8, is amended to read:

Subd. 8. **Immediate distribution of retirement benefits and payment of all other obligations.** (a) The board of trustees shall liquidate the assets of the special fund and pay retirement benefits and administrative expenses under the retirement plan within 210 days after the effective date of the termination of the retirement plan.

(b) If the retirement plan is a defined benefit plan that pays lump-sum benefits or a defined contribution plan, without regard to whether the ~~member~~ participant has attained age 50, each ~~member~~ participant and other benefit recipient shall be permitted to elect an immediate distribution or a direct rollover of the ~~member's~~ participant's benefit to an eligible retirement plan as permitted under section 356.635, subdivisions 3 to 7, if the benefit is an eligible rollover distribution as defined in section 356.635, subdivisions 4 and 5.

(c) If the retirement plan is a defined benefit plan that pays monthly pension benefits, the board of trustees shall, at the election of the ~~member~~ participant or other benefit recipient, purchase an annuity contract under section 424A.015, subdivision 3, naming the ~~member~~ participant or other benefit recipient, as applicable, as the insured or distribute a lump-sum amount that is equal to the present value of the monthly pension benefits to which the ~~member~~ participant or other benefit recipient is entitled. If an annuity is elected by the ~~member~~ participant or other benefit recipient, the annuity shall provide for commencement at a date elected by the insured, to be paid as an annuity for the life of the insured. Legal title to the annuity contract shall be transferred to the insured. If a lump sum is elected, the option under paragraph (b) to take an immediate distribution or a direct rollover shall apply.

(d) The board of trustees shall complete the distribution of all assets of the special fund by making any remaining distributions or transfers as required under subdivision 9 on behalf of ~~members~~ participants or other benefit recipients who cannot be located or are unresponsive and paying any remaining administrative expenses related to the termination of the plan.

Sec. 32. Minnesota Statutes 2020, section 424B.22, subdivision 9, is amended to read:

Subd. 9. **Missing ~~members~~ participants.** (a) For purposes of this subdivision, the terms defined in this subdivision have the meanings given them.

(b) "Retirement benefit" means:

- (1) the ~~member's~~ participant's account balance if the retirement plan is a defined contribution plan;
- (2) the ~~member's~~ participant's lump-sum benefit if the retirement plan is a defined benefit plan that pays a lump sum; or
- (3) an amount equal to the present value of the ~~member's~~ participant's benefit if the retirement plan is a defined benefit plan that pays a monthly annuity.

(c) "Individual retirement account" means an account that satisfies the requirements of section 408(a) of the Internal Revenue Code which is established by an officer of the relief association in the name of the ~~member~~ participant or other benefit recipient at a federally insured financial institution.

(d) If the board of trustees cannot locate a ~~member~~ participant or other benefit recipient ~~or receives no response to an offer to distribute a retirement benefit~~, the board of trustees shall make a diligent effort to obtain a current address or other contact information as follows:

- (1) send a notice to the address on file for the ~~member~~ participant or other benefit recipient using certified mail;
- (2) check with the Minnesota State Fire Department Association, the municipality, and any other employer of the ~~member~~ participant;
- (3) check with the ~~member's~~ participant's designated beneficiary on file with the relief association; and
- (4) use one or more of the Internet search tools that are free of charge.

~~(e) If the board of trustees is unable to locate the member or other benefit recipient after taking the actions described in paragraph (d),~~ The board of trustees shall transfer the retirement benefit to an individual retirement account or consider the retirement benefit abandoned and deposit funds in the amount of the retirement benefit with the commissioner of commerce under chapter 345. ~~The board of trustees may deposit a retirement benefit with the commissioner of commerce under chapter 345,~~ notwithstanding any laws to the contrary, including section 345.381.

if the board of trustees is unable to locate the participant or other benefit recipient after taking the actions described in paragraph (d) or the participant or other benefit recipient does not elect to receive or rollover a retirement benefit to which the participant or other benefit recipient is entitled.

Sec. 33. Minnesota Statutes 2020, section 424B.22, subdivision 10, is amended to read:

Subd. 10. **Supplemental benefits.** Within 60 days after the distribution of benefits under subdivision 8, the municipality or ~~independent nonprofit~~ firefighting corporation with which the fire department is affiliated shall pay supplemental benefits under section 424A.10 to each ~~member~~ participant and survivor who satisfies the requirements of section 424A.10, subdivision 2, if the ~~member~~ participant is at least age 50. The commissioner of revenue shall reimburse the municipality or independent nonprofit firefighting corporation for all supplemental benefits paid as provided in section 424A.10, subdivision 3.

Sec. 34. Minnesota Statutes 2020, section 477B.01, subdivision 1, is amended to read:

Subdivision 1. **Scope.** Unless the language or context clearly indicates that a different meaning is intended, the following words and terms, for the purposes of this chapter and chapters 423A and 424A, have the meanings given to them. The following definitions shall also apply for the purpose of chapter 424A, unless the word or term is defined in chapter 424A, in which case such word or term shall be as defined in chapter 424A for the purpose of chapter 424A.

Sec. 35. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber the provisions of Minnesota Statutes listed in column A to the references listed in column B, using the subdivision heading listed in column C. The revisor of statutes may alter the renumbering to incorporate statutory changes made during the 2021 legislative session. The revisor shall also make necessary cross-reference changes in Minnesota Statutes consistent with the renumbering in this instruction.

| <u>Column A</u>                                 | <u>Column B</u>                                  | <u>Column C</u>                                 |
|---|--|---|
| <u>424A.02, subd. 3, paragraphs (a) and (b)</u> | <u>424A.02, subd. 2a, paragraphs (a) and (b)</u> | <u>Average amount of available financing.</u>   |
| <u>424A.02, subd. 3, paragraph (c)</u>          | <u>424A.02, subd. 2b</u>                         | <u>Maximum monthly amount.</u>                  |
| <u>424A.02, subd. 3, paragraph (d)</u>          | <u>424A.02, subd. 2c</u>                         | <u>Maximum lump-sum amount.</u>                 |
| <u>424A.02, subd. 3, paragraphs (e) to (h)</u>  | <u>424A.02, subd. 3, paragraphs (a) to (d)</u>   | <u>Determining the maximum pension benefit.</u> |

Sec. 36. **EFFECTIVE DATE.**

Sections 1 to 35 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to retirement; temporarily extending the grandfather provision regarding actuarial assumptions used to compute an annuity in the unclassified state employees retirement plan; reducing the postretirement adjustment and eliminating the triggers that would increase the postretirement adjustment upon attainment of specified funding thresholds for the Judges Retirement Plan; revising eligibility for H-1b visa employees under the Minnesota State Retirement System and the Public Employees Retirement Association to comply with federal law and permitting the purchase of prior service credit; extending the time period for service credit for periods of military leave under the plans administered by the Public Employees Retirement Association; making changes of an administrative nature to the statutes applicable to the Public Employees Retirement Association and the St. Paul Teachers Retirement Fund Association; permitting the allocation of fire state aid

between the Statewide Volunteer Firefighters Plan and municipalities; delaying an increase in the employee contribution rates by one year for the St. Paul Teachers Retirement Fund Association; making changes to the statutes applicable to volunteer firefighter relief associations recommended by the State Auditor's fire relief association working group; providing full vesting and distribution of accounts for firefighters assigned to the Nowthen fire station and revising applicable law to permit payment of fire state aid to Nowthen and midyear participation in the Statewide Volunteer Firefighter Plan; revising the deadline for bill drafting requests to commission staff from agencies and pension systems; mandating work groups on pension benefits for 911 telecommunicators and allocating firefighter supplemental state aid; increasing the benefit for a former Department of Labor and Industry employee who retired in reliance on erroneous benefit estimates; authorizing the transfer of service credit from the MSRS General Plan to the Correctional Plan for a Department of Human Services employee; making technical clarifications and corrections to retirement statutes; amending Minnesota Statutes 2020, sections 352.01, subdivision 2b; 352D.06, subdivision 1; 353.01, subdivisions 2b, 16, 28; 353.014, subdivision 4; 353.0162; 353.27, subdivision 12; 353.30, subdivisions 1a, 1b, 1c; 353.335; 353.34, subdivision 2; 353D.071, subdivisions 1, 2; 353E.02, subdivision 2; 354A.12, subdivision 1; 354A.31, subdivision 7; 356.415, subdivision 1f; 356.635, subdivision 1; 424A.001, by adding a subdivision; 424A.01, subdivision 2; 424A.014, subdivisions 1, 2; 424A.015, subdivision 7; 424A.016, subdivisions 4, 6; 424A.02, subdivision 3; 424A.05, subdivision 3b; 424A.10, subdivision 2; 424B.01, subdivisions 3a, 3b, 3d, 3g, 3h, 3i, 4a, 5b, 5c, by adding a subdivision; 424B.04, subdivision 3; 424B.13, subdivisions 2, 4, 5, 6, 8, 9, 10; 424B.22, subdivisions 1, 2, 3, 4, 5, 7, 8, 9, 10; 477B.01, subdivision 1; 477B.04, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 356B; 424B; 477B; repealing Minnesota Statutes 2020, section 356B.05; Laws 2020, chapter 108, article 14, section 1."

With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with House Concurrent Resolution No. 4, H. F. No. 1758 was re-referred to the Committee on Rules and Legislative Administration.

## **SECOND READING OF HOUSE BILLS**

H. F. No. 600 was read for the second time.

## **SECOND READING OF SENATE BILLS**

S. F. Nos. 529 and 1047 were read for the second time.

## **INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Richardson introduced:

H. F. No. 2603, A bill for an act relating to public safety; establishing requirements for the purchase of catalytic converters; providing for penalties; amending Minnesota Statutes 2020, sections 325E.21, subdivision 6, by adding subdivisions; 609.5316, subdivision 3.

The bill was read for the first time and referred to the Committee on Commerce Finance and Policy.

Lee; Hansen, R.; Xiong, J.; Gomez and Vang introduced:

H. F. No. 2604, A bill for an act relating to a chemical ban; banning a certain chemical used in tear gas; proposing coding for new law in Minnesota Statutes, chapter 116.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance and Policy.

Olson, L.; Richardson and Morrison introduced:

H. F. No. 2605, A bill for an act relating to health; requiring the commissioner of human services to take certain action to improve midwifery access; requiring recommendations.

The bill was read for the first time and referred to the Committee on Health Finance and Policy.

Mariani introduced:

H. F. No. 2606, A bill for an act relating to capital investment; appropriating money for a new YMCA Community Center in downtown St. Paul.

The bill was read for the first time and referred to the Committee on Workforce and Business Development Finance and Policy.

Mariani introduced:

H. F. No. 2607, A bill for an act relating to capital investment; appropriating money for the Southeast Asian Language Job Training Facilities; canceling an appropriation of bond proceeds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Munson, Mortensen, Miller, Bahr and Drazkowski introduced:

H. F. No. 2608, A bill for an act relating to elections; modifying nomination and election of presidential electors; amending Minnesota Statutes 2020, sections 208.03; 208.05.

The bill was read for the first time and referred to the Committee on State Government Finance and Elections.

Novotny introduced:

H. F. No. 2609, A bill for an act relating to public safety; establishing the crime of conspiring to falsely call for emergency services; amending Minnesota Statutes 2020, section 609.78, subdivisions 1, 2.

The bill was read for the first time and referred to the Committee on Public Safety and Criminal Justice Reform Finance and Policy.

Winkler moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by Speaker pro tempore Wolgamott.

There being no objection, the order of business reverted to Reports of Standing Committees and Divisions.

**REPORTS OF STANDING COMMITTEES AND DIVISIONS**

Winkler from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1758, A bill for an act relating to retirement; temporarily extending the grandfather provision regarding actuarial assumptions used to compute an annuity in the unclassified state employees retirement plan; reducing the postretirement adjustment and eliminating the triggers that would increase the postretirement adjustment upon attainment of specified funding thresholds for the Judges Retirement Plan; revising eligibility for H-1b visa employees under the Minnesota State Retirement System and the Public Employees Retirement Association to comply with federal law and permitting the purchase of prior service credit; extending the time period for service credit for periods of military leave under the plans administered by the Public Employees Retirement Association; making changes of an administrative nature to the statutes applicable to the Public Employees Retirement Association and the St. Paul Teachers Retirement Fund Association; permitting the allocation of fire state aid between the Statewide Volunteer Firefighters Plan and municipalities; delaying an increase in the employee contribution rates by one year for the St. Paul Teachers Retirement Fund Association; making changes to the statutes applicable to volunteer firefighter relief associations recommended by the State Auditor's fire relief association working group; providing full vesting and distribution of accounts for firefighters assigned to the Nowthen fire station and revising applicable law to permit payment of fire state aid to Nowthen and midyear participation in the Statewide Volunteer Firefighter Plan; revising the deadline for bill drafting requests to commission staff from agencies and pension systems; mandating work groups on pension benefits for 911 telecommunicators and allocating firefighter supplemental state aid; increasing the benefit for a former Department of Labor and Industry employee who retired in reliance on erroneous benefit estimates; authorizing the transfer of service credit from the MSRS General Plan to the Correctional Plan for a Department of Human Services employee; making technical clarifications and corrections to retirement statutes; amending Minnesota Statutes 2020, sections 352.01, subdivision 2b; 352D.06, subdivision 1; 353.01, subdivisions 2b, 16, 28; 353.014, subdivision 4; 353.0162; 353.27, subdivision 12; 353.30, subdivisions 1a, 1b, 1c; 353.335; 353.34, subdivision 2; 353D.071, subdivisions 1, 2; 353E.02, subdivision 2; 354A.12, subdivision 1; 354A.31, subdivision 7; 356.415, subdivision 1f; 356.635, subdivision 1; 424A.001, by adding a subdivision; 424A.01, subdivision 2; 424A.014, subdivisions 1, 2; 424A.015, subdivision 7; 424A.016, subdivisions 4, 6; 424A.02, subdivision 3; 424A.05, subdivision 3b; 424A.10, subdivision 2; 424B.01, subdivisions 3a, 3b, 3d, 3g, 3h, 3i, 4a, 5b, 5c, by adding a subdivision; 424B.04, subdivision 3; 424B.13, subdivisions 2, 4, 5, 6, 8, 9, 10; 424B.22, subdivisions 1, 2, 3, 4, 5, 7, 8, 9, 10; 477B.01, subdivision 1; 477B.04, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 356B; 424B; 477B; repealing Minnesota Statutes 2020, section 356B.05; Laws 2020, chapter 108, article 14, section 1.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Ways and Means.

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

### MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 164, A bill for an act relating to energy; establishing the Energy Conservation and Optimization Act of 2021; amending Minnesota Statutes 2020, sections 216B.2401; 216B.241, subdivisions 1a, 1c, 1d, 1f, 1g, 2, 2b, 3, 5, 7, 8, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 216B; repealing Minnesota Statutes 2020, section 216B.241, subdivisions 1, 1b, 2c, 4, 10.

Senators Rarick, Osmek and Frentz.

Said House File is herewith returned to the House.

CAL R. LUDEMAN, Secretary of the Senate

### CALENDAR FOR THE DAY

H. F. No. 2360 was reported to the House.

H. F. No. 2360 was read for the third time.

### LAY ON THE TABLE

Winkler moved that H. F. No. 2360 be laid on the table. The motion prevailed.

S. F. No. 1315, A bill for an act relating to corrections; authorizing the placement of pregnant and postpartum female inmates in community-based programs; requiring reports; amending Minnesota Statutes 2020, section 244.065.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 5 nays as follows:

Those who voted in the affirmative were:

|          |        |             |         |             |         |
|----------|--------|-------------|---------|-------------|---------|
| Acomb    | Backer | Becker-Finn | Bierman | Burkel      | Davids  |
| Agbaje   | Bahner | Bennett     | Bliss   | Carlson     | Davnie  |
| Akland   | Bahr   | Berg        | Boe     | Christensen | Demuth  |
| Anderson | Baker  | Bernardy    | Boldon  | Daniels     | Dettmer |

|            |            |                 |            |            |              |
|------------|------------|-----------------|------------|------------|--------------|
| Drazkowski | Haley      | Kiel            | Miller     | Petersburg | Sundin       |
| Ecklund    | Hamilton   | Klevorn         | Moller     | Pfarr      | Theis        |
| Edelson    | Hansen, R. | Koegel          | Moran      | Pierson    | Thompson     |
| Elkins     | Hanson, J. | Kotyza-Witthuhn | Morrison   | Pinto      | Torkelson    |
| Erickson   | Hassan     | Koznick         | Mortensen  | Poston     | Urdahl       |
| Feist      | Hausman    | Kresha          | Mueller    | Pryor      | Vang         |
| Fischer    | Heinrich   | Lee             | Munson     | Quam       | Wazlawik     |
| Franke     | Heintzeman | Liebling        | Murphy     | Raleigh    | West         |
| Franson    | Her        | Lillie          | Nash       | Rasmusson  | Winkler      |
| Frazier    | Hertaus    | Lippert         | Nelson, M. | Reyer      | Wolgamott    |
| Frederick  | Hollins    | Lislegard       | Nelson, N. | Richardson | Xiong, J.    |
| Freiberg   | Hornstein  | Long            | Noor       | Robbins    | Xiong, T.    |
| Garofalo   | Howard     | Lucero          | Novotny    | Sandell    | Youakim      |
| Gomez      | Huot       | Lueck           | O'Driscoll | Sandstede  | Spk. Hortman |
| Green      | Igo        | Mariani         | Olson, B.  | Schomacker |              |
| Greenman   | Jordan     | Marquart        | Olson, L.  | Schultz    |              |
| Grossell   | Jurgens    | Masin           | O'Neill    | Scott      |              |
| Gruenhagen | Keeler     | McDonald        | Pelowski   | Stephenson |              |

Those who voted in the negative were:

|       |         |          |              |            |
|-------|---------|----------|--------------|------------|
| Daudt | Johnson | Mekeland | Neu Brindley | Swedzinski |
|-------|---------|----------|--------------|------------|

The bill was passed and its title agreed to.

## MOTIONS AND RESOLUTIONS

Green moved that the name of Mekeland be added as an author on H. F. No. 101. The motion prevailed.

Feist moved that the name of Freiberg be added as an author on H. F. No. 657. The motion prevailed.

Lislegard moved that the name of Freiberg be added as an author on H. F. No. 984. The motion prevailed.

Long moved that the name of Lillie be added as an author on H. F. No. 2539. The motion prevailed.

## TAKEN FROM TABLE

Winkler moved that H. F. No. 2360 be taken from the table. The motion prevailed.

Winkler moved that H. F. No. 2360 be re-referred to the Committee on Ways and Means. The motion prevailed.

Long moved that S. F. No. 258, now on the General Register, be re-referred to the Committee on Ways and Means. The motion prevailed.

Stephenson moved that S. F. No. 421 be recalled from the Committee on Climate and Energy Finance and Policy and be re-referred to the Committee on Ways and Means. The motion prevailed.

## ADJOURNMENT

Winkler moved that when the House adjourns today it adjourn until 4:30 p.m., Tuesday, May 11, 2021. The motion prevailed.

Winkler moved that the House adjourn. The motion prevailed, and Speaker pro tempore Wolgamott declared the House stands adjourned until 4:30 p.m., Tuesday, May 11, 2021.

PATRICK D. MURPHY, Chief Clerk, House of Representatives