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Overview

Imposes a \$5 annual surcharge on homeowners and automobile insurance policies. Dedicates the proceeds for specified fire and police pension purposes.

Section

1 Surcharge aid accounts. (a) Creates a surcharge fire pension aid account in the general fund, to receive the proceeds of the \$5 annual surcharge on homeowners insurance. Requires the commissioner of revenue to allocate the money in the accounts as follows:

- (1) 17.342 percent to the Public Employees Retirement Association (PERA) for deposit in the PERA police and fire fund
- (2) 8.658 percent to municipalities employing paid firefighters who have retirement coverage in the PERA police and fire fund
- (3) 74 percent for municipalities other than those receiving money under clause (2). These are municipalities served by volunteer firefighters.

(b) Creates a surcharge police pension aid account in the general fund to receive the proceeds of the annual \$5 surcharge on automobile insurance. Requires the commissioner of revenue to allocate money in the account as follows:

- (1) one-third as police state aid to be distributed to employing government entities
- (2) two-thirds to PERA (for deposit as a supplemental state aid in the PERA police and fire fund) and to the Minnesota State Retirement System (for deposit as a

Section

supplemental state aid in the state patrol retirement fund)

(c) Requires an annual report from the executive director of PERA.

(d) Specifies the method of determining the number of firefighters and police officers employed by a municipality for purposes of aid distributions under this section.

(e) Specifies timing for payments.

(f) Provides that existing laws that prevent municipalities and relief associations from receiving state aid until financial reporting requirements have been complied with apply to amounts payable under this section.

- 2** **Surcharge on homeowners and auto policies.** Imposes a \$5 annual surcharge on homeowners and automobile insurance. Provides that these surcharges are not considered premiums for any other purpose, and that the surcharge must be separately stated on a bill or policy declaration.

Provides for collection and administration of the surcharge, and deposit of revenues into accounts in the state general fund.

Provides that the surcharge terminates when the funding ratios of the State Patrol retirement plan and the PERA police and fire plan equal or exceed 90 percent.