



REBECCA OTTO  
STATE AUDITOR

# STATE OF MINNESOTA

## OFFICE OF THE STATE AUDITOR

SUITE 500  
525 PARK STREET  
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)  
(651) 296-4755 (Fax)  
[state.auditor@state.mn.us](mailto:state.auditor@state.mn.us) (E-mail)  
1-800-627-3529 (Relay Service)

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### **Working Group Proposals Passed Into Law**

*By Rebecca Otto, State Auditor*

The annual Volunteer Fire Relief Association Working Group, convened by the Office of the State Auditor, brought together the State Auditor, Pension Commission staff, municipal representatives, and relief association trustees representing each plan type and the fire service organizations. The Group worked between October 2008 and January 2009 on legislative proposals for changes in laws affecting fire relief associations.

In May, the governor signed into law the Omnibus Retirement Bill, which includes a number of provisions proposed by the Working Group. It is the second year in a row that the Working Group has offered a bill that was successful at the Capitol.

#### **Substantive changes**

The new law includes several substantive changes that will benefit volunteer fire relief associations.

A major initiative of the Working Group was the re-codification of Chapter 424A, the chapter of state law that pertains to relief association service pensions and benefits. The re-codification divides Chapter 424A into separate sections for defined contribution plans and defined benefit plans and other sections applicable to all plan types. The reorganization includes many technical changes that update wording to current drafting standards. The reorganization and technical changes most likely will not result in required changes to a relief association's bylaws, unless your bylaws reference specific statutory citations or language. If your relief association bylaws do reference specific statutory citations or language you should compare the bylaw language with the new statutory language. Our office will be updating our Selected Relevant Statutes booklet which will be available on our website. It can serve as a helpful reference when reviewing and updating your bylaws.

The new law includes many technical changes that update wording to current drafting standards. For example, the word "shall" was changed to the word "must" in most cases, which is the current standard used when drafting legislation.

One specific Working Group proposal was to assist in recruiting and retaining volunteers, especially in Greater Minnesota. The new law now eliminates penalties on resuming active service with a volunteer fire department after the member has been paid a service pension. The relief association's bylaws define the conditions on the return to membership. The provision gives relief associations greater flexibility in defining in their bylaws conditions under which members may return to active membership after a break in service.

Another proposal addressed a law which had prohibited minors from serving in any capacity with a volunteer fire department. Working Group members were concerned that this prohibition would apply to youth groups, like a Boy Scout Explorer Program. The new law provides an exception to this prohibition for members of youth, civic, or educational programs who participate with uninterrupted adult supervision.

### **Resources Available**

There are additional provisions in the new law that will have an impact on fire relief associations. The Office of the State Auditor has created a comprehensive legislative update that includes an in-depth explanation of the law changes. The update can be found at:

<http://www.auditor.state.mn.us/default.aspx?page=pensionDocs>.

The update also provides sample bylaw language that can be modified in accordance with state law to address unique requirements of your relief association. The sample bylaw language is meant to serve as a general resource guide: your relief association should consult an attorney for answers to specific questions regarding your relief association's bylaws.

The Office of the State Auditor would like to thank members of the Working Group and the Defined Contribution Plan Sub-Group for their work on this legislation. The provisions in the new law will provide for greater clarity of the law and flexibility for relief associations, as well as offer new options for some fire departments that are facing recruitment and retention problems.