

SENATE

STATE OF MINNESOTA

NINETY-THIRD SESSION

S.F. No. 3886

(SENATE AUTHORS: HAUSCHILD, Kupec, Lang, Abeler and Rest)		
DATE	D-PG	OFFICIAL STATUS
02/19/2024	11640	Introduction and first reading Referred to Taxes
02/26/2024	11825	Authors added Lang; Abeler
02/29/2024	11861	Author added Jasinski
03/07/2024	12066	Author stricken Jasinski Author added Rest
05/07/2024	16456a	Comm report: To pass as amended and re-refer to Finance

1.1

A bill for an act

1.2

relating to taxation; aid to local governments and private ambulance services;

1.3

establishing a onetime aid program for certain licensed ambulance services;

1.4

requiring reports; appropriating money.

1.5

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

1.6

Section 1. **EMERGENCY AMBULANCE SERVICE AID.**

1.7

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

1.8

the meanings given.

1.9

(b) "Ambulance service" has the meaning given in Minnesota Statutes, section 144E.001,

1.10

subdivision 3.

1.11

(c) "Board" means the Emergency Medical Services Regulatory Board.

1.12

(d) "Capital expenses" means expenses that are incurred by a licensed ambulance service

1.13

provider for the purchase, improvement, or maintenance of long-term assets to improve the

1.14

efficiency or capability of the ambulance services, with an expected useful life of greater

1.15

than five years.

1.16

(e) "Commissioner" means the commissioner of revenue.

1.17

(f) "EMS responses" means the number of responses reported to the board by a licensed

1.18

ambulance service provider via the Minnesota state ambulance reporting system during

1.19

calendar year 2022.

1.20

(g) "Licensed ambulance service provider" means a natural person, partnership,

1.21

association, corporation, Tribal government, or unit of government which possesses an

1.22

ambulance service license under Minnesota Statutes, chapter 144E.

(h) "Operational expenses" means costs related to personnel expenses, supplies and equipment, fuel, vehicle maintenance, travel, education, fundraising, and expenses associated with obtaining advanced life support intercepts.

(i) "Primary service area" has the meaning given in Minnesota Statutes, section 144E.001, subdivision 10.

(j) "Response density" means the quotient of a licensed ambulance service provider's EMS responses divided by the square mileage of the licensed ambulance service provider's primary service area.

(k) "Unit of government" means a county, a statutory or home rule charter city, or a township.

Subd. 2. **Excluded services.** The commissioner must exclude EMS responses by specialized life support as described in Minnesota Statutes, section 144E.101, subdivision 9, when calculating EMS responses, response density, and aid payments under this section.

Subd. 3. **Multiple licenses.** When a licensed ambulance service provider, a licensed ambulance service provider's parent company, a subsidiary of the licensed ambulance service provider, or a subsidiary of the licensed ambulance service provider's parent company collectively: (1) hold one or more licenses; and (2) are mainly located within the metropolitan counties listed in Minnesota Statutes, section 473.121, subdivision 4, or at least partially within the city of Duluth, Mankato, Moorhead, Rochester, or St. Cloud, the commissioner must treat all such related licensed ambulance service providers as a single licensed ambulance service provider and the sum of the square mileages of the primary service areas as a single primary service area for the purposes of calculating EMS responses, response density, and aid payments under this section.

Subd. 4. **Eligibility.** Except as otherwise required under subdivision 6, paragraphs (c) and (d), a licensed ambulance service provider is eligible for aid under this section if the licensed ambulance service provider:

(1) possessed a license in calendar year 2022;

(2) continues to operate under the license for aids payable in 2024; and

(3) completes the requirements under subdivision 5.

Subd. 5. **Application process.** (a) An eligible licensed ambulance service provider may apply to the commissioner, in the form and manner determined by the commissioner, for aid under this section. Applications must be submitted by September 16, 2024. The commissioner may require an eligible licensed ambulance service provider to submit any

information necessary, including financial statements, to make the calculations under subdivision 6. An eligible licensed ambulance service provider who applies for aid under this section must provide a copy of the application to the executive director of the board by September 16, 2024.

(b) The commissioner and the executive director of the board must establish a process for verifying the data submitted with applications under this section.

Subd. 6. **Commissioner calculations.** (a) Prior to determining an aid payment amount for eligible licensed ambulance service providers, the commissioner must make the calculations in paragraphs (b) to (d).

(b) In addition to meeting the criteria in subdivision 4, a licensed ambulance service provider is eligible for aid according to the calculations under this paragraph unless the licensed ambulance service provider: (1) is mainly located within the metropolitan counties listed in Minnesota Statutes, section 473.121, subdivision 4, or at least partially within the city of Duluth, Mankato, Moorhead, Rochester, or St. Cloud; and (2) has a response density of greater than 30 responses per square mile. For each eligible service provider, the commissioner must determine the amount equal to dividing 20 percent of the amount appropriated for aid payments under this section equally among all eligible licensed ambulance service providers.

(c) In addition to meeting the criteria in subdivision 4, a licensed ambulance service provider is eligible for aid according to the calculations under this paragraph only if the licensed ambulance service provider has a response density of 30 responses per square mile or fewer. For each eligible licensed ambulance service provider, the commissioner must determine the amount equal to the product of: 40 percent of the amount appropriated for aid payments under this section; multiplied by each eligible licensed ambulance service provider's primary service area square mileage divided by the total square mileage of all eligible licensed ambulance service providers' primary service areas. For purposes of this paragraph, the square mileage of an eligible licensed ambulance service provider's primary service area is equal to the lesser of the number of square miles in the primary service area, or 1,200.

(d) In addition to meeting the criteria in subdivision 4, a licensed ambulance service provider is eligible for aid according to the calculations under this paragraph only if the licensed ambulance service provider has a response density of 30 responses per square mile or fewer. For each eligible licensed ambulance service provider, the commissioner must determine the amount equal to the product of: 40 percent of the amount appropriated for

aid payments under this section; multiplied by the number of points determined under clauses (1) to (4) for each eligible licensed ambulance service provider divided by the total points determined under clauses (1) to (4) for all eligible licensed ambulance service providers.

For calculations under this paragraph, the commissioner must determine points for an eligible licensed ambulance service provider as follows:

(1) for EMS response one to EMS response 500, an eligible licensed ambulance service provider is awarded ten points for each EMS response;

(2) for EMS response 501 to EMS response 1,500, an eligible licensed ambulance service provider is awarded five points for each EMS response;

(3) for EMS response 1,501 to EMS response 2,500, an eligible licensed ambulance service provider is awarded zero points for each EMS response; and

(4) for EMS response 2,501 and each subsequent EMS response, an eligible licensed ambulance service provider's points are reduced by two points for each EMS response, except an eligible licensed ambulance service provider's total awarded points must not be reduced below zero.

Subd. 7. **Aid amount.** The commissioner must make an aid payment to each eligible licensed ambulance service provider in the amount equal to the sum of the amounts calculated in subdivision 6, paragraphs (b) to (d).

Subd. 8. **Eligible uses.** A licensed ambulance service provider must spend aid received under this section on operational expenses and capital expenses incurred to provide ambulance services within the licensed ambulance service provider's primary service area that is located in Minnesota.

Subd. 9. **Administration.** (a) The commissioner must certify the aid amount to each licensed ambulance service provider by December 1, 2024.

(b) The commissioner must make the full aid payment to each eligible licensed ambulance service provider by December 26, 2024.

(c) Any funds not spent on or encumbered for eligible uses by December 31, 2025, must be returned to the commissioner.

Subd. 10. **Report.** By February 15, 2026, each licensed ambulance service provider that receives aid under this section must submit a report to the commissioner and to the chairs and ranking minority members of the legislative committees with jurisdiction over taxes and property taxes. The report must include the amount of aid that each licensed ambulance service provider received, the amount of aid that was spent on or encumbered for operational

5.1 expenses, the amount of aid that was spent on or encumbered for capital expenses, and
5.2 documentation sufficient to establish that awarded aid was spent on or encumbered for
5.3 eligible uses as defined in subdivision 8. The commissioner may request financial statements
5.4 or other information necessary to verify that aid was spent on eligible uses.

5.5 Subd. 11. **Appropriation.** (a) An amount sufficient to make aid payments under this
5.6 section is appropriated from the general fund to the commissioner of revenue in fiscal year
5.7 2025, provided the total does not exceed \$120,000,000.

5.8 (b) Of the amount in paragraph (a), the commissioner may retain up to \$60,000 for
5.9 administrative costs related to aid under this section.

5.10 (c) This is a onetime appropriation.

5.11 **EFFECTIVE DATE.** This section is effective for aids payable in 2024.