

HB

230

STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY

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POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

HL+C

4-16-87

1:30 p.m.

HL+C

4-23-87

1:30 p.m.

5-0948B ✓  
Ford  
4/23/87

Original sponsors: Ulmer, Goll,  
Navarre, et al.

1 IN THE HOUSE

BY THE LABOR AND COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 230 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the premium tax on certain insur-  
7 ers."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 21.09.210(b) is amended to read:

10 (b) Each insurer, and each formerly authorized insurer with  
11 respect to premiums received while an authorized insurer in this  
12 state, shall pay tax on the total direct premium income received  
13 during the year ending on the preceding December 31 and paid for the  
14 insurance of property or risks resident or located in the state in-  
15 cluding [OTHER THAN] wet marine and transportation insurance, after  
16 deducting from the total direct premium income the applicable cancel-  
17 lations, returned premiums, the unabsorbed portion of any deposit  
18 premium, all policy dividends, unabsorbed premiums refunded to policy-  
19 holders, refunds, savings, savings coupons and other similar returns  
20 paid or credited to policyholders with respect to their policies. No  
21 deductions may be made of cash surrender value of policies. Consider-  
22 ations received on annuity contracts are not included in the direct  
23 premium income and are not subject to tax. The tax shall be paid to  
24 the director annually before April 1, and [, EXCEPT AS PROVIDED IN  
25 AS 21.69.390(c),] is computed at the rate of

26 (1) for domestic and foreign insurers, except hospital and  
27 medical service corporations, three [2.7] percent;

28 (2) for hospital and medical service corporations, six  
29 percent of their gross premiums less claims paid.

1 \* Sec. 2. AS 21.09.210(c) is amended to read:

2 (c) A domestic company organized before January 1, 1987, is  
3 exempt from taxation under this section for a period of five years  
4 from the date of its organization.

5 \* Sec. 3. AS 21.09.210 is amended by adding a new subsection to read:

6 (j) The tax paid to the director under (b) of this section shall  
7 be deposited in the general fund. The Department of Administration  
8 shall separately account for 10 percent of the tax collected under (b)  
9 of this section and deposited in the general fund. The annual esti-  
10 mated balance in the account may be used by the legislature to fund  
11 the State Fire Commission (AS 44.41) and other fire prevention and  
12 training services.

13 \* Sec. 4. AS 21.33.055(a) is repealed and reenacted to read:

14 (a) Each nonadmitted insurer shall pay a tax on premium receipts  
15 as provided under AS 21.09.210(b).

16 \* Sec. 5. AS 21.33.061(c) is repealed and reenacted to read:

17 (c) Each insurer shall pay a tax on premium receipts as provided  
18 under AS 21.09.210(b).

19 \* Sec. 6. AS 21.66.110 is repealed and reenacted to read:

20 Sec. 21.66.110. TITLE INSURANCE PREMIUM TAX. Each title insur-  
21 ance company shall pay a tax on premiums received as provided under  
22 AS 21.09.210(b).

23 \* Sec. 7. AS 21.09.210(d), 21.09.210(h), and AS 21.69.390(c) are re-  
24 pealed.

25 \* Sec. 8. This Act applies to the tax due by April 1, 1988, on direct  
26 premium income received after June 30, 1987, and to the tax due for subse-  
27 quent years.

# HOUSE COMMITTEE REPORT

(7)

Date referred: 3/30/87

FURTHER REFERRALS: Judiciary  
Finance

DATE: 4/23/87  
HB 230

The Labor & Commerce Committee has considered

"An Act relating to the premium tax on certain insurers."

**RECOMMENDS:**

- replace with CS HB230 (L+C)  the same title
- attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

**ADOPTS:**  \_\_\_\_\_ letter of intent

**ATTACHES NEW FISCAL NOTE(S):**

- fiscal impact  same as previous fiscal note published \_\_\_\_\_
- zero fiscal note  same as previous zero fiscal note published \_\_\_\_\_
- zero with analysis

**SIGNING DO PASS:**

\_\_\_\_\_

*J. Ellis*

*Cly Davidson*

*Nick Kozar*

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**SIGNING OTHER RECOMMENDATIONS:**

\_\_\_\_\_

*Scott Wernham NO REC*

*W. H. ... NO REC*

*David F. Douley NO REC*

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

*David F. Douley*

Chairman's signature

BILL NO: HB 230  
TITLE: An act relating to the premium tax on certain insurers.

DATE: April 15, 1987  
CONTACT: Gordon Brunton

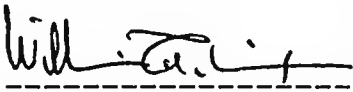
DEPARTMENT OF PUBLIC SAFETY / POSTOFFICE

This measure increases the insurance premium tax on certain insurers from 2.7 to 3.0 percent, provides for separate accounting of 10 percent of the tax collected which may be appropriated to fund the State Fire Commission (AS 44.41) and other fire prevention services.

Establishment of the State Fire Commission would provide the much sought after single State focus for fire and other emergency agencies.

Alaska has long held the record of the highest life and property losses in the Nation. Should this bill pass and the Legislature chooses to appropriate monies for funding fire prevention and training operations, we feel positive that such losses could be substantially reduced.

The Department of Public Safety supports passage of HB 230.

  
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William R. Nix  
Acting Commissioner

**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

**REQUEST:** \_\_\_\_\_

Bill Version : HB 230  
Publish Date : \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: An act relating to the premium tax on certain insurers.  
Sponsor: Rep. Illmer  
Requestor: House Labor & Commerce

Agency Affected: Public Safety  
BRU: Fire Prevention  
Components: \_\_\_\_\_

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		0	0	0	0	0

<b>CAPITAL</b>		0	0	0	0	0
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<b>REVENUE</b>		1,250.0	2,500.0	2,500.0	2,500.0	2,500.0
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**FUNDING:** (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		0	0	0	0	0

**POSITIONS:**

FULL-TIME		0	0	0	0	0
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary) The division of insurance estimates that 1,250.0 would be generated in FY88 and 2,500.0 in subsequent years. There is no fiscal impact on Public Safety. The bill creates additional revenue which may be available to fund the Fire Commission and other fire prevention/training programs. We intend to submit a supplemental budget ~~in 1988~~ to utilize this revenue source.

Prepared by: Gordon E. Brunton *GB* Phone: 465-4331  
Division: Fire Prevention Date: 4/15/87

Approved by Commissioner: *JMR* Date: 4/15/87  
Agency: Public Safety

**Distribution (by preparer):**

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

*JMR*  
*4/14/87*

House Bill 230

The Division of Fire Prevention would fund the following on a priority basis should the Legislature appropriate monies generated by HB 230:

Priority	Amount	BRU	Description
1.	110.0	FP	Provide funding to cover plan review program receipts shortfall. The downturn in the economy is projected to result in a substantial shortfall which would cause the loss of 1.5 more positions in FY 88.
2.	412.7		Restore positions lost in FY 87 & FY 88:
	62.2	FP	a. PCN 12-2002 Anch. Supervisor
	56.5	FP	b. PCN 12-2010 DFMI Anchorage
	54.9	FST	c. PCN 12-2022 Ed Spec I Juneau
	53.0	FST	d. PCN 12-2020 Ed Spec I (Public Education Specialist)
	58.0	FP	e. PCN 12-2008 DFMI Fairbanks
			f. Restore 10% Governor's cut (Personal Services)
	79.0	FP	(1) Fire Prevention BRU
	11.0	FST	(2) Fire Service Training BRU
	18.0	FP	g. Restore Premium Pay cut in FY 88 (13.1) and need increase.
	20.1	FST	h. Restore funds to keep FST Supervisor position.
3.	180.0		Fund State Fire Commission

The following program increases will assist in accomplishing the basic services as identified in "Alaska On Fire," Report of the Task Force on Fire Prevention and Control:

4.a	100.0	FST	Restore travel increase requested in the FY 86 budget. Will provide for non-employee travel and per diem for technical assistance teams, itinerant instructors, curricula workshops, firefighter and fire officer training, standards development and for staff certification visits. (Task Force Report [TFR], pp. 44-45)
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Priority	Amount	ERU	Description
4.b	40.0	FP	Restore travel funds for code enforcement cut in FY86-88. This would reinstate the high-risk priority inspection program; eliminate the charge back plan to users and other state agencies as proposed for FY 88; provide vital oversight and technical assistance to VPSO safety programs; provide better technical assistance to local fire departments while addressing fire hazards in the most critical occupancies. 23.6 lost in FY 87. 6.0 lost in FY 86. (TFR, p. 57)
5.	113.0	FST	Restore the FY 88 (38.0) and FY 87 (75.0) grants decrement. Many basic needs of the over 250 fire departments can be met at the local level. Regional training programs can be funded to better utilize existing facilities. Other organizations need assistance in specialty areas: <ul style="list-style-type: none"> <li>a. Provide funds to assist with the Public Fire Safety Education seminar (cancelled in 1986).</li> <li>b. Provide 2 fire inspection training seminars (none held in last 2 years).</li> <li>c. Provide assistance to the Arson Seminar.</li> <li>d. Provide assistance to firefighters/fire chiefs conferences.</li> <li>e. Provide assistance to duplicate the Federal Community Volunteer programs (TFR, p. 46)</li> <li>f. Grant monies to assist local communities with the Learn Not To Burn program. (TFR, p. 42)</li> </ul>

Priority	Amount	BRU	Description
6.	65.0	FP	<p>Restore contractual decrements of FY 83 (30.0) and FY 87 (35.0). These funds would provide the following services:</p> <ul style="list-style-type: none"> <li>a. Publication of a fire service directory.</li> <li>b. Support publication of Fire Service Newsletter (none published for last 2 years).</li> <li>c. Publish directory of fire service equipment for use by local departments. (TFR, p. 49)</li> <li>d. Technical assistance to more timely adopt codes (our slow process is thoroughly addressed in TFR pp. 53-55).</li> <li>e. To contract or RSA to Information Systems Section funds to provide enhancements to the ANFIRS network. This would make the system more useful to local and state agencies who use the system. (TFR, p. 65)</li> <li>f. Contractual funds to computerize the Inspection File Maintenance system.</li> </ul>
7.	50.0	FST	<p>Restore contractual decrements in FST and add funding to implement the Task Force recommendations:</p> <ul style="list-style-type: none"> <li>a. Develop new curricula: <ul style="list-style-type: none"> <li>(1) Haz-Mat, TFR, p. 45</li> <li>(2) Arson, TFR, p. 51</li> <li>(3) Firefighter career ladder, TFR, p. 45</li> <li>(4) Fire Inspector, TFR, p. 54</li> <li>(5) Public fire educator, TFR, p. 45</li> <li>(6) Others as identified as needed.</li> </ul> </li> <li>b. Computer program upgrade and integration.</li> </ul>

Priority	Amount	BRU	Description
8.	80.0	FST	The Public Fire Safety Education Program has been transferred from FP to FST. Specific funding to administer an effective program never came with the position. Provide funding to administer a Public Education Program:
	25.0		a. Promote residential sprinkler and smoke detector demos (Fed. funds expire 9/87) TFR, pp. 39-41
	30.0		b. Lending library upgrade. Duplication and conversion of films to cassettes; establish resource centers in Fbks and Juneau to improve public access. TFR, p. 41
	5.0		c. Publish a resource guide for local communities. TFR p. 41
	15.0		d. Travel for Ed. Spec. and non-employee specialists to do in-service work and assist in local program planning.
	5.0		e. Supplies and materials.
9.	10.0	FP	Establish a toll-free Arson Hotline. TFR p. 31
10.	30.0	All	Arson Prevention & Enforcement activities. a. Support of Juvenile counseling b. Support of awareness & education campaign. TFR pp. 80-81
11.	30.0	All	Restore and add equipment funds. Equipment funds have been transferred to other components; purchases have been delayed. a. portable radio b. pagers c. computer hardware & software d. field investigation kits

Priority	Amount	BBU	Description
12.	40.0	FST	Provide refresher training to VPSO and rural school safety inspection program
13.	70.0	FST	Add 1 new Ed. Spec. position to Fairbanks office.
14.	65.0	All	Add 1 new Administrative Assistant to perform budget and many duties of the deputy director position.

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1,395.7	Budget increase
1,201.0	Existing Gov. Rev. FY 88 Total
2,596.7	Total Budget.

**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

REQUEST: \_\_\_\_\_

Bill Version : CSHB230 (L&C)  
Publish Date : \_\_\_\_\_

Revision Date: \_\_\_\_\_

Agency Affected : Division of Insurance  
BRU : \_\_\_\_\_

Title : Premium tax rate on certain  
insurers.

Sponsor : Ulmer

Components : \_\_\_\_\_

Requestor : \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		0	0	0	0	0

<b>CAPITAL</b>		0	0	0	0	0
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<b>REVENUE</b>		0	0	0	0	0
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		0	0	0	0	0

**POSITIONS:**

FULL-TIME		0	0	0	0	0
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)



Prepared by: House Labor & Commerce Committee Phone: 465-3892  
Division: \_\_\_\_\_ Date: 4/23/87

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
Agency: \_\_\_\_\_

- Distribution (by preparer):
- Legislative Finance
  - Legislative Sponsor
  - Requestor
  - Office of Management and Budget
  - Impacted Agency(ies)
  - Senate Secretary

**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

**REQUEST:** \_\_\_\_\_  
 Revision Date: \_\_\_\_\_  
 Title: Premium tax rates on certain  
insurers.  
 Sponsor: Ulmer  
 Requestor: \_\_\_\_\_

Bill Version: CSHB230 (L&C)  
 Publish Date: \_\_\_\_\_

Agency Affected: Fire Protection Services  
 BRU: \_\_\_\_\_  
 Components: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		0	0	0	0	0
<b>CAPITAL</b>		0	0	0	0	0
<b>REVENUE</b>		1,448.6	2,897.2	2,897.2	2,897.2	2,897.2


**FUNDING: (Thousands of Dollars)**


GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		0	0	0	0	0

**POSITIONS:**

FULL-TIME		0	0	0	0	0
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)



Prepared by: House Labor & Commerce Committee Phone: 4/23/87  
 Division: \_\_\_\_\_ Date: \_\_\_\_\_  
 Approved by Commissioner:  Date: \_\_\_\_\_  
 Agency: \_\_\_\_\_

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)  
 Senate Secretary

	GROSS PREMIUM	CURRENT TAX RATE	CURRENT TAX REVENUE	ADDITIONAL REVENUE ALL AT 2.7% G.P.	ADDITIONAL REVENUE 3% G.P. LTD PTC	ADDITIONAL REVENUE ALL AT 3% G.P.	ADDITIONAL REVENUE 3.5% G.P. LTD PTC	ADDITIONAL REVENUE ALL AT 3.5% G.P.
LIFE AND DISABILITY INSURANCE	199,450,000	2.7% G.P.	5,385,154	NO CHANGE	598,350	598,350	1,595,600	1,595,600
LIFE AND DISABILITY STATE + MUNIC	56,760,081	0%	0	NO CHANGE	NO CHANGE	NO CHANGE	NO CHANGE	NO CHANGE
HOSPITAL / MEDICAL SERVICE CORP	60,001,429	6% OF PROFIT	269,629	1,350,400	NO CHANGE	1,530,400	NO CHANGE	1,830,421
PROPERTY / CASUALTY INSURANCE	656,240,740	2.7% G.P.	17,718,544	NO CHANGE	1,968,722	1,968,722	5,249,926	5,249,926
WET MARINE AND TRANSPORTATION	12,485,366	0.75% OF PROFIT	58,146	278,958	NO CHANGE	316,415	NO CHANGE	378,842
TITLE INSURANCE	16,507,725	1% G.P.	165,077	380,700	NO CHANGE	350,154	NO CHANGE	412,693

1448.6  
2897.2

PREPARED BY:  
ALASKA DIVISION OF INSURANCE  
4-21-87

23,596,550	1,909,958	530,154	2,567,072	4,744,041	6,845,526	9,467,482
			2,897,226			
			1,448,613			

Alaska State Legislature  
House of Representatives



Labor and Commerce Committee

April 16, 1987

M E M O R A N D U M

To: Members, House Labor and Commerce Committee

From: Representative Dave Donley, Chair  
House Labor and Commerce Committee

Re: Explanation of changes in proposed Committee  
Substitute for HB 230

The proposed committee substitute for HB 230, relating to insurance premium tax, makes six changes to the original bill. They are:

1. Raises the premium tax from 3.0 percent to 3.5 percent (the current rate is 2.7 percent)
2. Brings three other insurers (wet marine, title, and hospital/medical service corporations) under the same premium tax rate. Currently these three groups pay a different rate established in separate statutes.
3. Deletes language providing a five year delay in implementation of the tax increase for certain domestic insurers (Legislative drafting informs us that this section was probably "constitutionally infirm".)
4. Adds new intent language regarding the distribution of funds collected under the tax rate increase.
5. Changes language in the effective date clause as requested by the prime sponsor.
6. Renumbers sections accordingly.

STATE OF ALASKA  
THE LEGISLATURE  
LEGISLATIVE AFFAIRS AGENCY

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3800

MEMORANDUM

April 15, 1987

SUBJECT: HB 230 - Retroactive tax increase  
TO: Representative Fran Ulmer  
FROM: Michael F. Ford *M-F*  
Legislative Counsel

You have asked whether section 4 of HB 230, which increases the premium tax imposed on insurers, raises any constitutional difficulties. In that the change in the tax rate applies to a tax due on April 1, 1988, the tax change is not retroactive and no due process or other constitutional problems are raised.

Please contact me if you have further questions.

MFF:mkr  
m11/022

Preferential Tax Rates for Wet Marine

HBZ 30

State	P&C Tax	Wet Marine Tax
AK	2.70 GP	0.75 Pr
AR	2.50 GP	0.75 Pr
FL	2.00 GP	0.75 Pr
WY	2.50 GP	0.75 Pr
HI	4.28 GP	0.88 Pr
WA	2.00 GP	0.95 Pr
NH	2.00 GP	5.00 Pr
PA	2.00 GP	5.00 Pr
UT	2.25 GP	5.00 Pr
CA	2.35 GP	5.00 Pr(3)
CT	2.00 GP	5.00 Pr(3)
DE	1.75 GP	5.00 Pr(3)
MN	2.00 GP	5.00 Pr(3)
NJ	2.00 GP	5.00 Pr(3)
OR	2.25 GP	5.00 Pr(3)
RI	2.00 GP	5.00 Pr(3)
MA	2.28 GP	5.70 Pr(3)
IA	2.00 GP	6.50 Pr(3)
WI	2.38 GP	0.50 GP

Notes:

- GP = Gross Premium
- Pr = Profit
- Pr(3) = Average 3 Year Profit

19 States have a preferential tax treatment for Wet Marine insurance

Added Premium Tax for Fire Marshall & Fire Related

State	P&C Tax	Fire Marshall Tax	Additional Fire Related Tax
AK	2.70	None	
AZ	1.70	0.20 †	
FL	2.00	0.63 †	
GA	2.25	None	† max of 2.50 by county
IL	2.00	1.00 †	† 2.00 for Fire Department
IN	2.00	0.50 incl	
KS	2.00	1.25 †	† 2.00 Firefighters Relief
KY	2.00	0.75 †	
LA	1.85	1.25 †	† 2.25 Fire Dept & Training
ME	2.00	0.75 †	
MN	2.00	2.00 †	† 2.00 Firemens Relief Fund
MS	3.00	0.50 †	
MT	2.75	0.75 †	† 1.25 Firemens Pension
NE	1.00	0.75 †	
NY	2.60	1.25 †	
NC	2.50	1.00 †	† 0.50 Firemens Relief Fund
OH	2.50	0.75 †	
OK	4.00	0.31 †	
OR	2.25	1.00 †	
SC	2.00	None	† 1.10 Fire Dept & Inspection
SD	2.50	0.50 †	
TN	2.50	0.75 †	
TX	3.50	1.25 †	
WV	4.00	0.50 †	
WI	2.38	None	† 2.00 Fire Dept Dues

Notes:

All tax rates above apply to gross premium

20 states have an added insurance premium tax for the Fire Marshall's office.

1 state has an amount in the insurance premium tax allocated for the Fire Marshall's office.

9 states have an added insurance premium tax for a fire related purpose.

## Insurance Premium Tax Rates by State

State	P&C Tax		Wet Marine Tax		Fire Marshall	Other Fire	Total Tax
AL	4.00	GP	4.00	GP	None	None	4.00 GP
AK	2.70	GP	0.75	Pr	None	None	2.70 GP
AZ	1.70	GP	1.70	GP	0.20 †	None	1.90 GP
AR	2.50	GP	0.75	Pr	None	None	2.50 GP
CA	2.35	GP	5.00	Pr(3)	None	None	2.35 GP
CO	2.25	GP	2.25	GP	None	None	2.25 GP
CT	2.00	GP	5.00	Pr(3)	None	None	2.00 GP
DE	1.75	GP	5.00	Pr(3)	None	None	1.75 GP
DC	2.00	GP	2.00	GP	None	None	2.00 GP
FL	2.00	GP	0.75	Pr	0.63 †	None	2.63 GP
GA	2.25	GP	2.25	GP	None	2.50 †	4.75 GP
HI	4.28	GP	0.88	Pr	None	None	4.28 GP
ID	3.00	GP	3.00	GP	None	None	3.00 GP
IL	2.00	GP	2.00	GP	1.00 †	2.00 †	5.00 GP
IN	2.00	GP	2.00	GP	0.50 incl	None	2.00 GP
IA	2.00	GP	6.50	Pr(3)	None	None	2.00 GP
KS	2.00	GP	2.00	GP	1.25 †	2.00 †	5.25 GP
KY	2.00	GP	2.00	GP	0.75 †	None	2.75 GP
LA	1.85	GP	1.85	GP	1.25 †	2.25 †	5.35 GP
ME	2.00	GP	2.00	GP	0.75 †	None	2.75 GP
MD	2.00	GP	2.00	GP	None	None	2.00 GP
MA	2.28	GP	5.70	Pr(3)	None	None	2.28 GP
MI	2.35	GP	2.35	GP	None	None	2.35 GP
MN	2.00	GP	5.00	Pr(3)	2.00 †	2.00 †	6.00 GP
MS	3.00	GP	3.00	GP	0.50 †	None	3.50 GP
MO	2.00	GP	2.00	GP	None	None	2.00 GP
MT	2.75	GP	2.75	GP	0.75 †	1.25 †	4.75 GP
NE	1.00	GP	1.00	GP	0.75 †	None	1.75 GP
NV	3.00	GP	3.00	GP	None	None	3.00 GP
NH	2.00	GP	5.00	Pr	None	None	2.00 GP
NJ	2.00	GP	5.00	Pr(3)	None	None	2.00 GP
NM	3.00	GP	3.00	GP	None	None	3.00 GP
NY	2.60	GP	2.60	GP	1.25 †	None	3.85 GP
NC	2.50	GP	2.50	GP	1.00 †	0.50 †	4.00 GP
ND	2.50	GP	2.50	GP	None	None	2.50 GP
OH	2.50	GP	2.50	GP	0.75 †	None	3.25 GP
OK	4.00	GP	4.00	GP	0.31 †	None	4.31 GP
OR	2.25	GP	5.00	Pr(3)	1.00 †	None	3.25 GP
PA	2.00	GP	5.00	Pr	None	None	2.00 GP
RI	2.00	GP	5.00	Pr(3)	None	None	2.00 GP
SC	2.00	GP	2.00	GP	None	1.10 †	3.10 GP
SD	2.50	GP	2.50	GP	0.50 †	None	3.00 GP
TN	2.50	GP	2.50	GP	0.75 †	None	3.25 GP
TX	3.50	GP	3.50	GP	1.25 †	None	4.75 GP
UT	2.25	GP	5.00	Pr	None	None	2.25 GP
VT	2.00	GP	2.00	GP	None	None	2.00 GP
VA	2.75	GP	2.75	GP	None	None	2.75 GP
WA	2.00	GP	0.95	Pr	None	None	2.00 GP
WV	4.00	GP	4.00	GP	0.50 †	None	4.50 GP
WI	2.38	GP	0.50	GP	None	2.00 †	4.38 GP
WY	2.50	GP	0.75	Pr	None	None	2.50 GP

## Tax Rates by State

State	P&C Tax	Wet Marine Tax	Fire Marshall	Notes
AL	4.00	4.00 GP	None	
AK	2.70	0.75 Pr	None	
AZ	1.70	1.70 GP	0.20 †	
AR	2.50	0.75 Pr	None	
CA	2.35	5.00 Pr(3)	None	
CO	2.25	2.25 GP	None	
CT	2.00	5.00 Pr(3)		???????
DE	1.75	5.00 Pr(3)	None	
DC	2.00	2.00 GP	None	
FL	2.00	0.75 Pr	0.63 †	
GA	2.25	2.25 GP	None	† max of 2.50 by county
HI	4.28	0.88 Pr	None	
ID	3.00	3.00 GP	None	
IL	2.00	2.00 GP	1.00 †	† 2.00 for Fire Dept
IN	2.00	2.00 GP	0.50 incl	
IA	2.00	6.50 Pr(3)	None	
KS	2.00	2.00 GP	1.25 †	† 2.00 Firefighters Relief
KY	2.00	2.00 GP	0.75 †	
LA	1.85	1.85 GP	1.25 †	† 2.25 Fire Dept & Training
ME	2.00	2.00 GP	0.75 †	
MD	2.00	2.00 GP	None	
MA	2.28	5.70 Pr(3)	None	
MI	2.35	2.35 GP	None	
MN	2.00	5.00 Pr(3)	2.00 †	† 2.00 Firemens Relief Fund
MS	3.00	3.00 GP	0.50 †	
MO	2.00	2.00 GP	None	
MT	2.75	2.75 GP	0.75 †	† 1.25 Firemens Pension
NE	1.00	1.00 GP	0.75 †	
NV	3.00	3.00 GP	None	
NH	2.00	5.00 Pr	None	
NJ	2.00	5.00 Pr(3)	None	
NM	3.00	3.00 GP	None	
NY	2.60	2.60 GP	1.25 †	
NC	2.50	2.50 GP	1.00 †	† 0.50 Firemens Relief Fund
ND	2.50	2.50 GP	None	
OH	2.50	2.50 GP	0.75 †	
OK	4.00	4.00 GP	0.31 †	
OR	2.25	5.00 Pr(3)	1.00 †	
PA	2.00	5.00 Pr	None	
RI	2.00	5.00 Pr(3)	None	
SC	2.00	2.00 GP	None	† 1.10 Fire Dept & Inspectic
SD	2.50	2.50 GP	0.50 †	
TN	2.50	2.50 GP	0.75 †	
TX	3.50	3.50 GP	1.25 †	
UT	2.25	5.00 Pr	None	
VT	2.00	2.00 GP	None	
VA	2.75	2.75 GP	None	
WA	2.00	0.95 Pr	None	
WV	4.00	4.00 GP	0.50 †	
WI	2.38	0.50 GP	None	† 2.00 Fire Dept Dues
WY	2.50	0.75 Pr	None	

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 16, 1987

SUBJECT: Domestic insurer tax exemption  
(HB 230)

TO: Representative Dave Donley

FROM: Michael F Ford *M.F.*  
Legislative Counsel

You have asked whether the domestic insurer tax exemption under AS 21.09.210(c) is a constitutionally valid exercise of the state's taxing authority. In light of the latest U.S. Supreme Court decision striking down a state law that imposed a different rate of tax on foreign insurers, this form of exemption would appear to be equally defective. In Metropolitan Life Insurance Company v. Ward, 470 U.S. \_\_\_, 84 L.Ed 2d 751 (1985), the court held that neither the promotion of domestic business within a state nor the encouragement of capital investment are legitimate reasons that would permit discrimination against foreign corporations, in light of the equal protection clause. The court also noted that this type of discrimination would also be prohibited under the commerce clause. See Bacchus Imports, Ltd. v. Dias, 468 U.S. \_\_\_, 82 L Ed 2d 200(1984). The exemption contained in AS 21.09.210(c) creates an impermissible discrimination between foreign and domestic insurers.

The present language of sec. 2 in HB 230 that limits the exemption to corporations organized before July 1, 1987 and may eliminate this issue as a practical matter. To avoid any possibility of litigation, the exemption should probably be repealed rather than limited.

MFF:mkr  
m11/029

5-0948B  
Ford  
4/16/87

Original sponsors: Ulmer, Goll,  
Navarre, et al.

1 IN THE HOUSE BY THE LABOR AND COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 230 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the premium tax on certain insur-  
7 ers."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 \* Section 1. AS 21.09.210(b) is amended to read:

10 (b) Each insurer, and each formerly authorized insurer with  
11 respect to premiums received while an authorized insurer in this  
12 state, shall pay tax on the total direct premium income received  
13 during the year ending on the preceding December 31 and paid for the  
14 insurance of property or risks resident or located in the state in-  
15 cluding [OTHER THAN] wet marine and transportation insurance, after  
16 deducting from the total direct premium income the applicable cancel-  
17 lations, returned premiums, the unabsorbed portion of any deposit  
18 premium, all policy dividends, unabsorbed premiums refunded to policy-  
19 holders, refunds, savings, savings coupons and other similar returns  
20 paid or credited to policyholders with respect to their policies. No  
21 deductions may be made of cash surrender value of policies. Consider-  
22 ations received on annuity contracts are not included in the direct  
23 premium income and are not subject to tax. The tax shall be paid to  
24 the director annually before April 1, and [, EXCEPT AS PROVIDED IN AS  
25 21.69.390(c),] is computed at the rate of three and one half percent.

26 [(1) FOR DOMESTIC AND FOREIGN INSURERS, EXCEPT HOSPITAL AND  
27 MEDICAL SERVICE CORPORATIONS, 2.7 PERCENT;

28 (2) FOR HOSPITAL AND MEDICAL SERVICE CORPORATIONS, SIX  
29 PERCENT OF THEIR GROSS PREMIUMS LESS CLAIMS PAID].

1 \* Sec. 2. AS 21.09.210 is amended by adding a new subsection to read:

2 (j) The tax paid to the director under (b) of this section shall  
3 be deposited in the general fund. The Department of Administration  
4 shall separately account for 10 percent of the tax collected under  
5 (b) of this section and deposited in the general fund. The annual  
6 estimated balance in the account may be used by the legislature to  
7 fund

8 (1) the State Fire Commission (AS 44.41) and other fire  
9 prevention and training services; or

10 (2) consumer protection services administered by the direc-  
11 tor of the division of insurance.

12 (3) efforts by the Division of Medical Assistance to  
13 establish and enforce appropriate risk management procedures under  
14 AS 18.20.75 in order to reduce potential liability claims.

15 \* Sec. 3. AS 21.33.055(a) is repealed and reenacted to read:

16 (a) Each nonadmitted insurer shall pay a tax on premium receipts  
17 as provided under AS 21.09.210(b).

18 \* Sec. 4. AS 21.33.061(c) is repealed and reenacted to read:

19 (c) Each insurer shall pay a tax on premium receipts as provided  
20 under AS 21.09.210(b).

21 \* Sec. 5. AS 21.66.110 is repealed and reenacted to read:

22 Sec. 21.66.110. TITLE INSURANCE PREMIUM TAX. Each title insur-  
23 ance company shall pay a tax on premiums received as provided under  
24 AS 21.09.210(b).

25 \* Sec. 6. AS 21.09.210(d), 21.09.210(h), and AS 21.69.390(c) are  
26 repealed.

27 \* Sec. 7. This Act applies to the tax due by April 1, 1988 on  
28 direct premium income received after June 30, 1987, and to the tax  
29 due for subsequent years.



GASTINEAU CHAPTER

ALASKA STATE FIREFIGHTERS ASSOCIATION

P.O. BOX 187

JUNEAU, ALASKA 99802

April 16, 1987

Representative Fran Ulmer  
House of Representatives  
Pouch V  
Juneau, Alaska 99811

Dear Representative Ulmer:

The House of Representatives will be reviewing HB230. This Bill is intended to assist in the funding of the State Fire Marshal's Office. I don't know if you can understand the importance of this office to the firefighters of this state.

This Bill will help insure continued training of firefighters, both paid and volunteer in the areas of fire prevention, building inspection, public fire education, Fire Service Training, and investigation of fires across the state to better evaluate causes and to work to eliminate those we can.

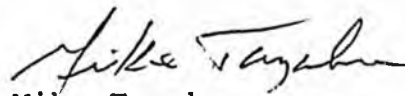
Alaska has the highest fire deaths per capita in the United States. As a volunteer firefighter, I need your support of this Bill to stop fires from taking our families, friends, and property.

It would be disastrous to the citizens of this state should this office be under funded.

I urge you to vote for HB230. Thank you for your support of the Alaska State Firefighters.

Sincerely,

GASTINEAU CHAPTER  
ALASKA STATE FIREFIGHTERS' ASSOC.

  
Mike Tagaban  
President

MT:djo



**STATE OF ALASKA 1987 LEGISLATIVE SESSION  
FISCAL NOTE**

Bill Version : HB 230  
Publish Date : \_\_\_\_\_

REQUEST: \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: An act relating to the premium tax on certain insurers.  
Sponsor: Rep. Illmer  
Requestor: House Labor & Commerce

Agency Affected: Public Safety  
BRU: Fire Prevention  
Components: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		0	0	0	0	0
<b>CAPITAL</b>		0	0	0	0	0
<b>REVENUE</b>		1,250.0	2,500.0	2,500.0	2,500.0	2,500.0

**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		0	0	0	0	0

**POSITIONS:**

FULL-TIME		0	0	0	0	0
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary) The division of insurance estimates that 1,250.0 would be generated in FY88 and 2,500.0 in subsequent years. There is no fiscal impact on Public Safety. The bill creates additional revenue which may be available to fund the Fire Commission and other fire prevention/training programs. We intend to submit a supplemental budget ~~in FY88~~ to utilize this revenue source.

Prepared by: Gordon E. Brunton *GEB* Phone: 465-4331  
Division: Fire Prevention Date: 4/15/87

Approved by Commissioner: *J* *Ward* Date: 4/15/87  
Agency: Public Safety

- Distribution (by preparer):
- Legislative Finance
  - Legislative Sponsor
  - Requestor
  - Office of Management and Budget
  - Impacted Agency(ies)
  - Senate Secretary

*JMR*  
*4/14/87*

House Bill 230

The Division of Fire Prevention would fund the following on a priority basis should the Legislature appropriate monies generated by HB 230:

Priority	Amount	BRU	Description
1.	110.0	FP	Provide funding to cover plan review program receipts shortfall. The downturn in the economy is projected to result in a substantial shortfall which would cause the loss of 1.5 more positions in FY 88.
2.	412.7		Restore positions lost in FY 87 & FY 88:
	62.2	FP	a. PCN 12-2002 Anch. Supervisor
	56.5	FP	b. PCN 12-2010 DFMI Anchorage
	54.9	FST	c. PCN 12-2022 Ed Spec I Juneau
	53.0	FST	d. PCN 12-2020 Ed Spec I (Public Education Specialist)
	58.0	FP	e. PCN 12-2008 DFMI Fairbanks
			f. Restore 10% Governor's cut (Personal Services)
	79.0	FP	(1) Fire Prevention BRU
	11.0	FST	(2) Fire Service Training BRU
	18.0	FP	g. Restore Premium Pay cut in FY 88 (13.1) and need increase.
	20.1	FST	h. Restore funds to keep FST Supervisor position.
3.	180.0		Fund State Fire Commission

The following program increases will assist in accomplishing the basic services as identified in "Alaska On Fire," Report of the Task Force on Fire Prevention and Control:

4.a	100.0	FST	Restore travel increase requested in the FY 86 budget. Will provide for non-employee travel and per diem for technical assistance teams, itinerant instructors, curricula workshops, firefighter and fire officer training, standards development and for staff certification visits. (Task Force Report [TF..], pp. 44-45)
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Priority	Amount	BRU	Description
4.b	40.0	FP	Restore travel funds for code enforcement cut in FY86-88. This would reinstate the high-risk priority inspection program; eliminate the charge back plan to users and other state agencies as proposed for FY 88; provide vital oversight and technical assistance to VPSO safety programs; provide better technical assistance to local fire departments while addressing fire hazards in the most critical occupancies. 23.6 lost in FY 87, 6.0 lost in FY 86. (TFR, p. 57)
5.	113.0	FST	Restore the FY 88 (38.0) and FY 87 (75.0) grants decrement. Many basic needs of the over 250 fire departments can be met at the local level. Regional training programs can be funded to better utilize existing facilities. Other organizations need assistance in specialty areas: <ul style="list-style-type: none"> <li>a. Provide funds to assist with the Public Fire Safety Education seminar (cancelled in 1986).</li> <li>b. Provide 2 fire inspection training seminars (none held in last 2 years).</li> <li>c. Provide assistance to the Arson Seminar.</li> <li>d. Provide assistance to firefighters/fire chiefs conferences.</li> <li>e. Provide assistance to duplicate the Federal Community Volunteer programs (TFR, p. 46)</li> <li>f. Grant monies to assist local communities with the Learn Not To Burn program. (TFR, p. 42)</li> </ul>

Priority	Amount	BRU	Description
6.	65.0	FP	<p>Restore contractual decrements of FY 88 (30.0) and FY 87 (35.0). These funds would provide the following services:</p> <ul style="list-style-type: none"> <li>a. Publication of a fire service directory.</li> <li>b. Support publication of Fire Service Newsletter (none published for last 2 years).</li> <li>c. Publish directory of fire service equipment for use by local departments. (TFR, p. 49)</li> <li>d. Technical assistance to more timely adopt codes (our slow process is thoroughly addressed in TFR pp. 53-55).</li> <li>e. To contract or RSA to Information Systems Section funds to provide enhancements to the ANFIRS network. This would make the system more useful to local and state agencies who use the system. (TFR, p. 65)</li> <li>f. Contractual funds to computerize the Inspection File Maintenance system.</li> </ul>
7.	50.0	FST	<p>Restore contractual decrements in FST and add funding to implement the Task Force recommendations:</p> <ul style="list-style-type: none"> <li>a. Develop new curricula: <ul style="list-style-type: none"> <li>(1) Haz-Mat, TFR, p. 45</li> <li>(2) Arson, TFR, p. 51</li> <li>(3) Firefighter career ladder, TFR, p. 45</li> <li>(4) Fire Inspector, TFR, p. 54</li> <li>(5) Public fire educator, TFR, p. 45</li> <li>(6) Others as identified as needed.</li> </ul> </li> <li>b. Computer program upgrade and integration.</li> </ul>

Priority	Amount	BRU	Description
8.	30.0	FST	The Public Fire Safety Education Program has been transferred from FP to FST. Specific funding to administer an effective program never came with the position. Provide funding to administer a Public Education Program:
	25.0		a. Promote residential sprinkler and smoke detector demos (Fed. funds expire 9/87) TFR, pp. 39-41
	30.0		b. Lending library upgrade. Duplication and conversion of films to cassettes; establish resource centers in Fbks and Juneau to improve public access. TFR, p. 41
	5.0		c. Publish a resource guide for local communities. TFR p. 41
	15.0		d. Travel for Ed. Spec. and non-employee specialists to do in-service work and assist in local program planning.
	5.0		e. Supplies and materials.
9.	10.0	FP	Establish a toll-free Arson Hotline. TFR p. 31
10.	30.0	All	Arson Prevention & Enforcement activities. a. Support of Juvenile counseling b. Support of awareness & education campaign. TFR pp. 80-81
11.	30.0	All	Restore and add equipment funds. Equipment funds have been transferred to other components; purchases have been delayed. a. portable radios b. pagers c. computer hardware & software d. field investigation kits

Priority	Amount	BRU	Description
12.	40.0	FST	Provide refresher training to VPSO and rural school safety inspection program
13.	70.0	FST	Add 1 new Es. Spec. position to Fairbanks office.
14.	65.0	All	Add 1 new Administrative Assistant to perform budget and many duties of the deputy director position.

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1,395.7	Budget increase
1,201.0	Existing Gov. Rev. FY 83 Total
2,596.7	Total Budget.



Official Business

# Alaska State Legislature

## House

P.O. BOX V  
State Capitol  
Juneau, Alaska 99811

March 30, 1987

TO: ALL REPRESENTATIVES

FROM: Representative Fran Ulmer

RE: HB 230

I am concerned about fire prevention for the following reasons:

\*\*Alaska leads the Nation in deaths by fire. In 1985, the last year for which statistics have been finalized, there were 29 deaths. Of the 29 who died, 27 were in their homes, either single family or multi-family dwellings.

\*\*Of these 29 deaths, ten children under the age of 9 were among the victims.

\*\*Property losses in 1985 totaled \$38,819,596.

House Bill 230, "An Act relating to the premium tax on certain insurers", increases the tax on total direct premium income from 2.7% to 3.0% for each insurer. This tax increase is a return to the 1986 tax rate for over 90% of the insurance business in the State. Additionally, as many as 20 other states are using funds collected from the insurance industry for fire prevention and training.

House Bill 230 can provide funding for the State Fire Commission and adequately provide for fire prevention and training services -- services that will address the concerns stated above.

ALASKA STATE FIREFIGHTERS ASSOCIATION

P.O. Box 34324  
Juneau, Alaska 99803-4324

RECEIVED JAN 29 1987

January 29, 1987

File  
D(a)

The Honorable Fran Ulmer  
Fifteenth Alaska State Legislature  
P. O. Box V  
Juneau, Alaska 99811

Dear Madam:

The Alaska State Firefighters' Association and the Alaska Fire Chiefs' Association are strongly opposed to the FY88 budget cuts in the Division of Fire Prevention, Department of Public Safety.

The Governor's Transition Team recommended leaving the budget alone for this Division. The cuts represent too much reorganization with two positions not refilled, three people laid off, two positions downgraded, a Fire Marshal's Office moved to Anchorage, and most all of the programs cut back or eliminated. We find this too excessive for the safety of the public.

Realizing the condition of the State's finances, we have designed a proposal that is both a short and long term solution to the problem. The proposal is in draft form and additional information needs to be gathered.

Please review the enclosed proposal. I am available for comment or testimony. My contact phone numbers are 586-5245 and 789-7554.

Respectfully,

ALASKA STATE FIREFIGHTERS' ASSOC.

*Gaylen E. Brevik*  
Gaylen E. Brevik  
President

GEB:djo  
enc.

c: Bob Haag, Legislative Liaison, ASFA

AN ALTERNATIVE  
TO THE FY88 BUDGET FOR THE  
DIVISION OF FIRE PREVENTION  
DEPARTMENT OF PUBLIC SAFETY

Submitted By

Gaylen E. Brevik  
President  
Alaska State Firefighters' Association

January 26, 1987  
(Revised January 27, 1987)

# ALASKA STATE FIREFIGHTERS ASSOCIATION

P.O. Box 34324

Juneau, Alaska 99803-4324

## P R O P O S A L

We have discovered a possible revenue income the State of Alaska can collect. The amount is approximately \$2,500,000. The exact amounts are not known. However, the figures in this Proposal are close estimates.

The insurance industry pays a 2.7% premium tax to the State of Alaska. Until last year, they paid a 3% tax. At 2.7%, the State collects approximately \$23,000,000. At 3% the State could collect \$25,500,000. At a .3% increase, an amount that industry is used to paying, the net increase to the State is \$2,500,000. We feel it is important to note that the State will be offering an invaluable service to the insurance industry and that the dollars will be used in the State of Alaska.

There are other states that collect a premium tax. Portions of the premium tax are then used for fire related services. These services include pension plans for volunteer firefighters, fire training, and public fire education. Some of the states involved are Kentucky, Illinois, Georgia, and Oklahoma.

Providing the State of Alaska could collect the tax from the insurance industry, the Alaska State Firefighters' Association and the Alaska Fire Chiefs' Association offer the following for planning the budget in FY88. The Fire Marshal's budget for FY86 was authorized at \$1,326,600. The Fire Service Training budget for that year was \$430,000. Both have been significantly reduced, too many times. Please consider reinstating the budget to those figures.

Last year the Legislature put into law the Alaska State Fire Commission. This Commission was never funded. Through this proposal, the much needed Commission can finally begin.

The Alaska State Firefighters' Association has assigned a committee to look into the possibility of a pension plan for the volunteer firefighters. They discovered several states have plans in place. They are recommending we follow the Illinois plan. It is simple and with a few changes could be easily adopted in our state. The financial picture

would appear similar to this:

Fire Marshal	\$1,326,600
Fire Service Training	430,000
Alaska State Fire Commission	180,000
ASFA Pension Plan	563,400
	<hr/>
	\$2,500,000
Reduce budget from premium tax .3%	\$2,500,000 →

The Alaska State Firefighters' Association and the Alaska Fire Chiefs' Association offer the following as some of the benefits of this plan:

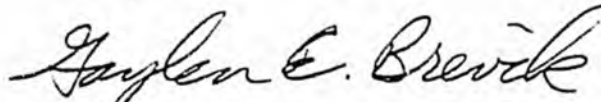
1. The firefighters are better trained. The public is more aware of fire prevention. Buildings are safer. We have fewer deaths by fire and less property damage.
2. The money appropriated to the Fire Marshal and Fire Service Training for FY88 can be used in other places to help offset the deficit.
3. The insurance industry gets more service for their money. For example: if a house burns up because of the rural, untrained fire department, the insurance company has to pay the damage. If the rural, trained fire department makes a good stop on the already burning house, then the insurance company has to pay less money; in some cases, alot less. What this means is less risk for the insurance industry.
4. In some areas, because of the training and education, the Insurance Services Office (ISO) rating may be lowered. When this happens, the rate the homeowner pays the insurance company is lowered; again, indicating the lower risk; in essence a safer place to live.
5. The State doesn't have to lay anyone off in the Division. This is a reasonable alternative.
6. The programs, desperately needed, can continue; i.e. investigations, public fire education, Firefighter One, instructors' classes (MOI), technical assistance teams, V.P.S.O. programs, and many more.
7. A volunteer firefighters' pension plan can be established. Finally, the volunteer firefighter can be thanked, in a small way, for all of his/her hours, weeks, months, and years of service.

At the 1986 Conference of the Alaska State Firefighters' Association and the Alaska Fire Chiefs' Association, held in Kodiak, it was resolved that we use all resources available to our membership in support of sufficient funding for programs within the Division of Fire Prevention, Department of Public Safety (Resolution 86-17). This Proposal meets the requirements of this and other Resolutions.

We know that the security of life, health, and property for all Alaskans is dependent on the efficiency of the Fire Service. We know the condition of the finances of our state. We know the financial resources of the insurance industry are used in other states, and we know that, with the details worked out, this July 1st the ideas in this Proposal can become a reality.

Respectfully submitted,

ALASKA STATE FIREFIGHTERS' ASSOC.



Gaylen E. Brevik  
President

GEB:djo

M M M M M DEPARTMENT OF PUBLIC SAFETY M M M M M

SHORT FORM PAGE	BUDGET COMPONENT	86 ACT	87 AUTH	87 REV	88 GOV	88 GOV - COMPARISON	87 REV
	NATURAL RESOURCE MANAGEMENT						
	FISH AND WILDLIFE PROTECTION						
2	ENFORCEMENT/INVESTIGATIVE SVCS	10313.0	10113.6	8745.2	7669.3	-1075.9	-12.3%
4	DIRECTOR'S OFFICE	276.3	284.6	196.5	196.5		
6	AIRCRAFT SECTION	865.8	818.8	716.2	716.2		
8	MARINE ENFORCEMENT	2447.6	2420.2	1933.7	1632.3	-301.4	-15.6%
	*** PROGRAM TOTAL ***	13902.7	13637.2	11591.6	10214.3	-1377.3	-11.9%
	PUBLIC PROTECTION						
	FIRE PREVENTION						
12	FIRE PREVENTION OPERATIONS	1277.5	1330.4	1240.8	1076.2	-164.6	-13.3%
14	FEDERAL COMMUNITY PROJECTS	6.2	10.0	10.0		-10.0	-100.0%
16	FIRE SERVICE TRAINING	218.8	337.6	299.6	214.8	-84.8	-28.3%
	*** PROGRAM TOTAL ***	1283.7	1678.0	1550.4	1291.0	-259.4	-16.7%
20	STATE FIRE COMMISSION		180.0				
	HIGHWAY SAFETY PLANNING AGENCY						
24	HWY SAFETY PLANNING OPERATIONS	1426.6	158.5	134.7	192.2	57.5	42.7%
26	FEDERAL GRANTS		1389.2	1389.2	1066.2	-323.0	-23.3%
	*** PROGRAM TOTAL ***	1426.6	1547.7	1523.9	1258.4	-265.5	-17.4%
	MOTOR VEHICLES						
30	DRIVER SERVICES	1276.5	1390.2	1122.8	940.2	-182.6	-16.3%
32	VEHICLE SERVICES	435.9	465.5	392.1	355.6	-36.5	-9.3%
34	FIELD SERVICES	4219.0	4378.9	4139.4	3870.7	-268.7	-6.5%
36	ADMINISTRATION	662.6	678.6	629.2	615.2	-14.0	-2.2%
38	COMMERCIAL VEHICLE SAFETY		131.7				
	*** PROGRAM TOTAL ***	6594.0	7044.9	6283.5	5781.7	-501.8	-8.0%
	*** PUBLIC PROTECTION TOTAL ***	9304.3	10450.6	9357.8	8331.1	-1026.7	-11.0%
	ADMINISTRATION OF JUSTICE						
	ALASKA STATE TROOPERS						
42	DETACHMENTS & C.T.D.	24236.0	26467.5	23795.5	21455.5	-2340.0	-9.8%
44	NARCOTICS UNIT	2457.7	2346.7	2146.7	1795.2	-351.5	-16.4%
46	WSPH	69.6	104.2	104.2		-104.2	-100.0%
48	DIRECTOR'S OFFICE	795.0	719.9	717.8	656.3	-61.5	-8.6%
50	CENTRAL COMMUNICATIONS	1343.3	1254.9	1220.3	1020.4	-199.9	-16.4%
52	COMMUNITY SERVICES	127.8	299.7	299.7	244.9	-54.8	-18.3%
54	JUDICIAL SERVICES	3568.0	3691.2	3538.9	2940.8	-598.1	-16.9%
56	PRISONER TRANSPORTATION	993.7	750.0	750.0	750.0		
58	SEARCH AND RESCUE	170.5	169.7	169.7	169.7		
60	BUILDING SECURITY	548.2	482.0	41.0		-41.0	-100.0%
62	RURAL TROOPER HOUSING				380.4	380.4	100.0%
	*** PROGRAM TOTAL ***	34309.8	36285.8	32783.8	29413.2	-3370.6	-10.3%
	VILLAGE PUB. SAFETY OF. PRO.						

ALASKA STATE FIREFIGHTERS ASSOCIATION

P.O. Box 34324

Juneau, Alaska 99803-4324

March 25, 1987

The Honorable Fran Ulmer  
Fifteenth Alaska State Legislature  
P. O. Box V  
Juneau, Alaska 99811

Dear Madam:

Thank you for supporting the Fire Service by submitting our Bill into legislation.

The Fire Marshal, Fire Service Training, and the Fire Commission do supply a needed service to the insurance industry.

Last year SB-376 was supposed to equalize the tax rate between foreign and domestic insurers. The statute did read 3% tax for foreign and 1.5% for domestic. With the passage of SB-376 it equaled 2.7% for both. Apparently, what was not noticed is that 92% of the industry is foreign insurers. That means over 90% of the insurance business done had a decrease in the tax levied by the State. We find that by adding the .3% back, the insurance industry will be paying what they've been paying all along. The State can collect over two million dollars.

It is important to think about the Fire Service. Each time our environment is made safer through inspections, plan reviews, training firefighters, and educating the public, the insurance industry risk decreases. This converts to millions of dollars in savings to the insurance companies.

More than twenty other states are using funds, collected from the insurance industry, for fire prevention and training. In the past, insurance companies have actually started their own fire departments to protect their insurers.

Judy Knight indicated that you may need some statistics. I have enclosed some statistics which may help. If you need more, let Bob Haag or me know.

Thank you again.

Sincerely,

ALASKA STATE FIREFIGHTERS' ASSOC.

*Gaylen E. Brevik*  
Gaylen E. Brevik  
President

GEB:djo  
enclosures

Hazardous Conditions, such as leaks and spills, power lines down, aircraft standby and chemical emergencies where there was no ignition, and Malicious (deliberate) false Alarms calls decreased substantially from 1984 calls.

For the reader's benefit Overpressure Ruptures are steam, air, or gas vessel ruptures where there is no ensuing fire, Service Calls are such things as water removal, smoke or odor removal, animal rescue, assist police, etc. Good Intent Calls are incidents where a person, in good faith, thought there was a fire emergency which subsequently proved to be something like steam, or there was smoke, but not from a hostile fire.

#### MAJOR FIRES

Thirteen fires in 1985 resulted in individual losses exceeding \$500,000. Five of these occurred in Anchorage; one of these experienced \$500,000 in damage initially, then rekindled, causing an additional \$800,000 in loss. The largest single loss fire occurred in Barrow, a school district warehouse complex estimated at \$3,000,000.

#### 1985 Fires by Property Use

FIXED PROPERTY USE	# INCIDENTS	INJURIES		DEATHS	\$ LOSS
		FS	CIV	CIVILIAN	
Unclassified	2				200
Public Assembly	61	1	1		2,233,130
Educational	32				1,780,505
Institutional	21				27,105
Residential	1,260	23	51	27	14,881,553
Store/Office	138	7			6,268,545
B's. Industry/ Utilities	53	1			3,021,684
Manufacturing	30				2,807,100
Storage	144	2	1		4,910,198
Special	1,729	3	66	2	2,989,576
<b>TOTAL</b>	<b>3,475</b>	<b>37</b>	<b>70</b>	<b>29</b>	<b>38,819,596</b>

*Copied From the 1985 Annual Report from the  
Division of Fire Prevention*

1981 - 1985 COMPARISONS

	1981	1982	1983	1984	1985
Civilian Fire Deaths	28	16	27	35	29
Deaths/Million Pop.	64.3	34.7	54.5	66.9	54.2
Civilian Injuries	84	62	70	63	70
Firefighter Injuries	46	28	42	36	37
Number of Fires	3,119	3,109	3,214	3,680	3,475
Total Calls	7,777	10,527	14,035	14,876	14,813
\$ Losses (in millions)	\$40.6	\$42.6	\$72.8	\$34.5	\$38.8
\$ Loss per capita	\$93.29	\$92.44	\$146.98	\$65.95	\$72.56

FIRE DEATHS

Once again, Alaska leads the Nation in deaths by fire, based upon the number of fatalities per million population. Of the 29 who died, 27 were in their homes, either single or multi-family dwellings.

17 were males, 12 females. 10 were under the age of 9. The continued need to install and maintain smoke detectors is demonstrated by these losses.

The discussion of fire deaths would be incomplete without examining the rates. Fairbanks, for example, appears to have the highest urban fire death rate during 1985, with 148 deaths per million population, compared to Anchorage, which was 32. Similar comparisons show Naknek, for example, to have a fire death rate per million population during 1985, of 3,333. Small communities such as this, however, must be looked at over a longer period of time, as the real picture is biased by their size and experience.

Table No. 1 in the appendices lists the fatalities in Alaska since 1979 by location. Local departments are urged to compare their fatality problem with the rest of the state.

Division of Fire Prevention  
FY88 Budget Analysis

	<u>GF</u>	<u>Total</u>
FY 87 Authorized	1,274.3	1,578.0
FY 87 Revised	1,146.7	1,540.4
FY 88 Governor's	897.3	1,291.0

1. FY 88 budget is a decrease of \$249.4 in GF from that of FY 87 revised i.e., 21.8%, and a 29.6% decrease for FY 87 Authorized.
  
2. The Governor's Budget
  - cuts two (2) Deputy Fire Marshall I's (Anchorage and Fairbanks) and one (1) Clerk Typist (Anchorage).
  - reclassify's Education Specialist I (Anchorage) to Administrative Assistant II.
  - reclassify's Education Specialist II in Fire Service Training to Administrative Officer I and transfers it from Juneau to Anchorage.
  - cuts one (1) Education Specialist I in Juneau Fire Service Training.
  - concurs with implementing a new fee schedule to agencies to defray costs.
  - moves Deputy Fire Marshall II from Juneau to Anchorage, making Juneau a one-man office.
  - eliminates completed Federal Community Project component.
  - moved \$16.4 personal services savings from deleted position to grant line in Fire Service Training.

Fire Prevention  
FY 88/Governor's Budget

The same as submitted by the Commissioner and the Director of the Division.

I. Fire Operations

POSITION COUNT

TITLE	FY 87 REVISED	FY 88 GOVERNOR'S BUDGET	COMMENTS
Director	1	1	
Deputy Fire Marshal II	2	2	
Deputy Fire Marshal I	7	5	
FP Engineer	1	1	
Education Specialist	1 PPT	0	
Support Position	5	5	
	16 PPT	14 PPT	
	1 PPT		

Regional Offices

Anchorage      1 DFM II and 2 DFM I both FY 87 and FY 88

Fairbanks      1 DFM II and 2 DFM I both FY 87 and FY 88

Juneau          0 DFM II and 1 DFM I in FY 88  
                   1 DFM II and 1 DFM I in FY 87

II. Fire Service Training Program

- In FY 88, one Education Specialist position is cut from Juneau
- Added \$16.4 into the grant line item

PLAN REVIEW RECEIPTS

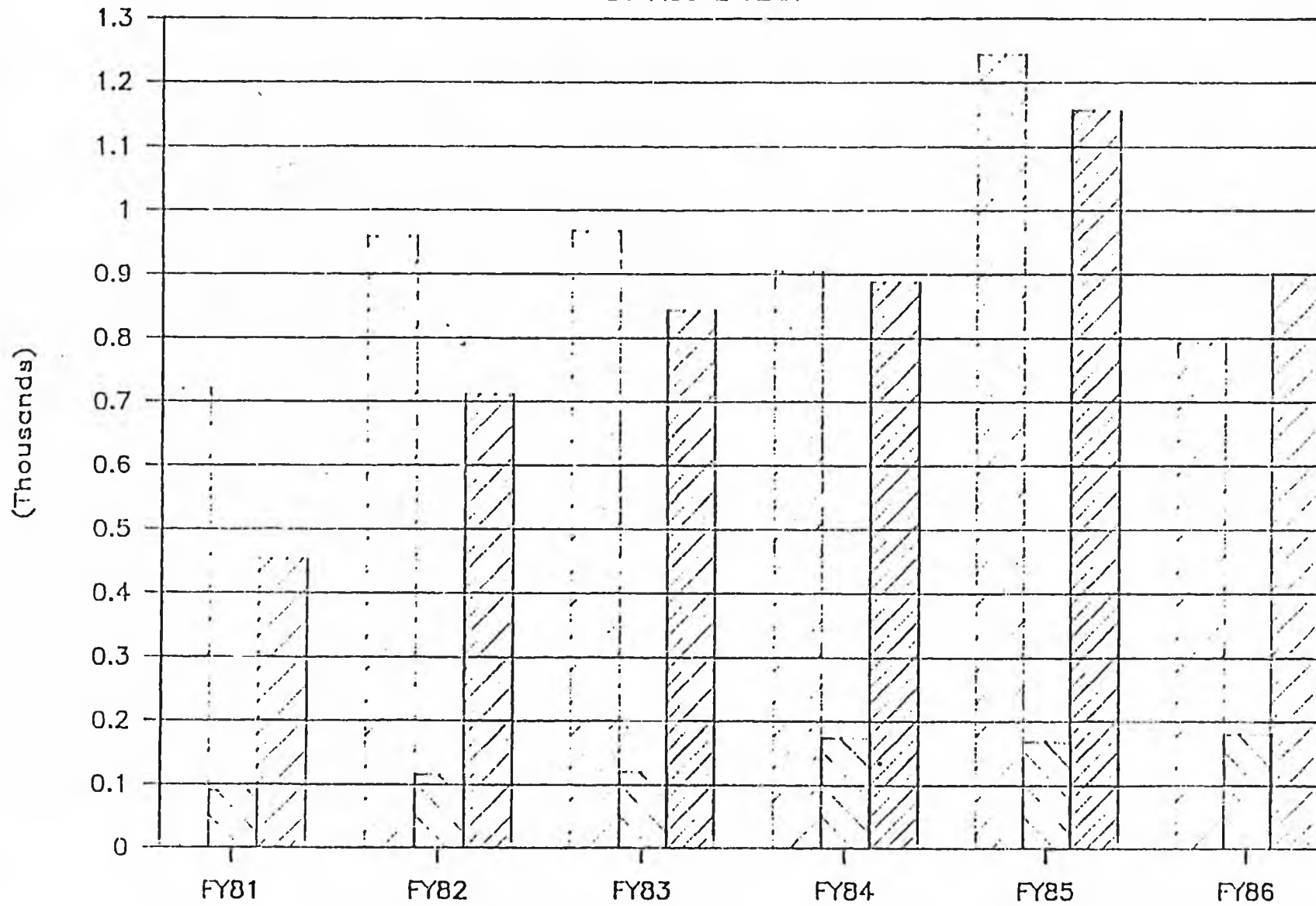
	FY86	FY87	Percentage
July	65,324.07	55,088.41	- 16%
August	21,616.40	29,705.65	+ 37%
September	34,985 50	10,993.62	- 69%
October	27,307.42	22,777.12	- 17%
November	33,271.00	6,644.20	- 80%
December	47,016.18	11,642.80	- 75%
January	20,989.79	9,225.88	- 56%
 	<hr/>	<hr/>	
TOTAL:	250,510.36	146,077.68	- 42%
Average Per Month:	35,787.19	20,868.24	
Estimate for 12 months: (FY87)		250,418.88	
Budgeted: (FY87)		297,000.00	
Shortfall: (FY87)		46,581.12	- 16%

BJN  
2/13/87

NOTE: FY 88 Budget is funded \$297.0 in PR and if the downward trend holds and the receipts are lower, additional positions will have to be laid off in FY 88.

# PROGRAM ACTIVITIES

BY FISCAL YEAR

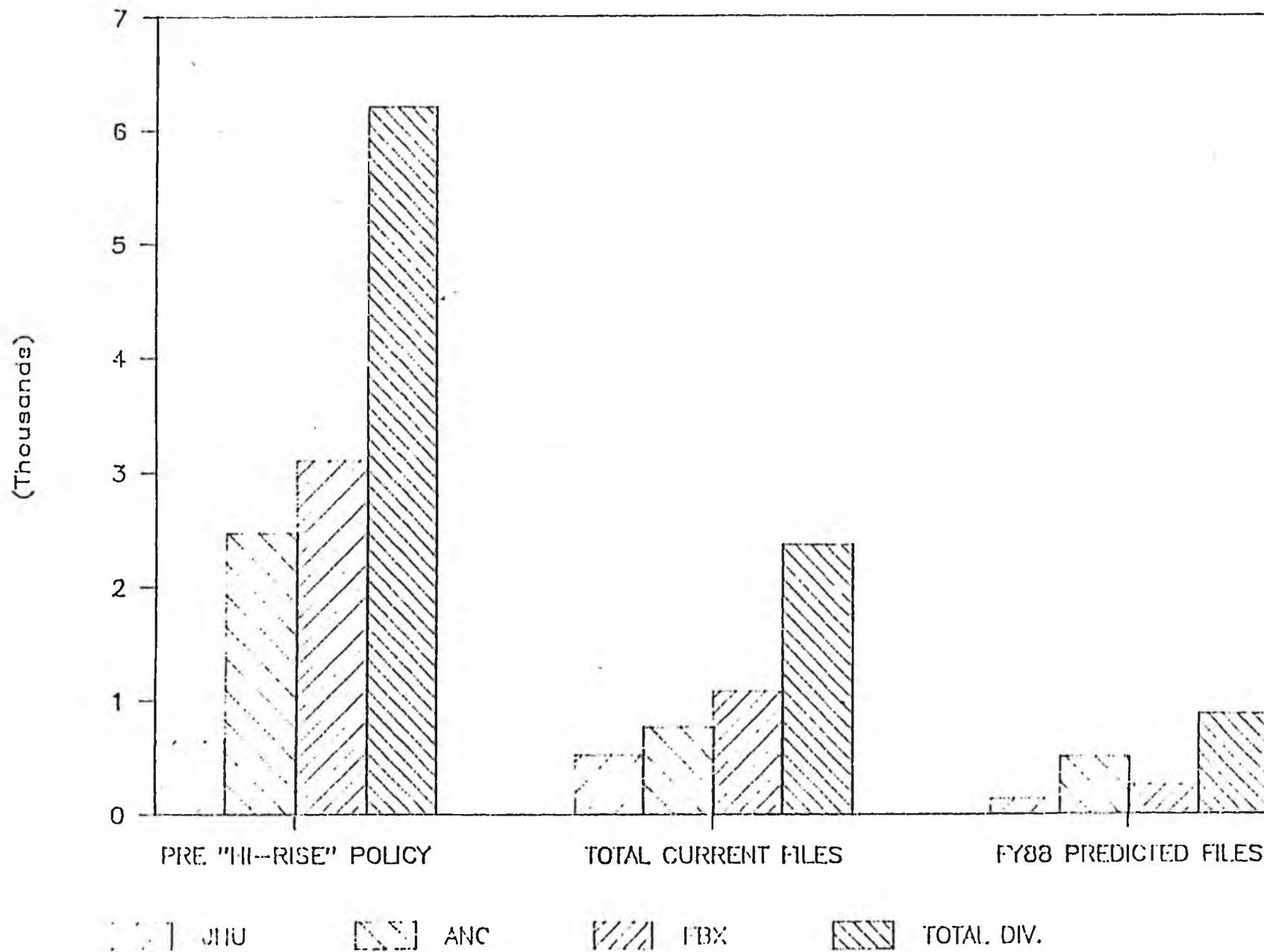


INSPECT

INVESTIGATE

PLATE CHECKS

# INSPECTION PROGRAM HISTORY



## FIRE SERVICE TRAINING - SUMMARY NARRATIVE FY88 BUDGET

As an effort to consolidate State programs and provide for more cost effective service to local fire departments, in FY86 the Fire Service Training Program was transferred from the Department of Education to the Department of Public Safety. In FY85 Fire Service Training's budget was \$436.6, at that time a modest budget for statewide assistance to local fire training programs and for providing programs which local fire departments had neither the expertise nor the financial resources to provide for themselves.

The FY88 proposed budget represents a cut of more than 50 per cent in three years, in a program which was already minimally funded. It has already resulted in the elimination of direct training programs:

- \* Firefighter I training at the Anchorage Regional Fire Training Center
- \* Senior officer training for rural fire departments
- \* Fire protection management training for municipal and suburban fire departments
- \* Technical Assistance Teams to local communities
- \* Support of regional fire training centers

The effect of the proposed budget will be to virtually eliminate State assistance to local departments. Elimination of the coordinator position in southeastern Alaska and reclassification of the supervisory position to an administrative officer will place a burden on the already taxed position in Anchorage. The three professional positions now in existence carry out fire service assistance functions with minimal clerical help. Provision of additional help to the Anchorage position will ease a few of the administrative and financial duties now performed by the supervisor, but will not eliminate any of the work presently performed by the Anchorage position. Particularly with the responsibility for public fire education, that position will be able to assume very few of the additional responsibilities of either the southeastern coordinator or the supervisor.

In FY88, given the budget as proposed, the following functions will be accomplished as in FY87:

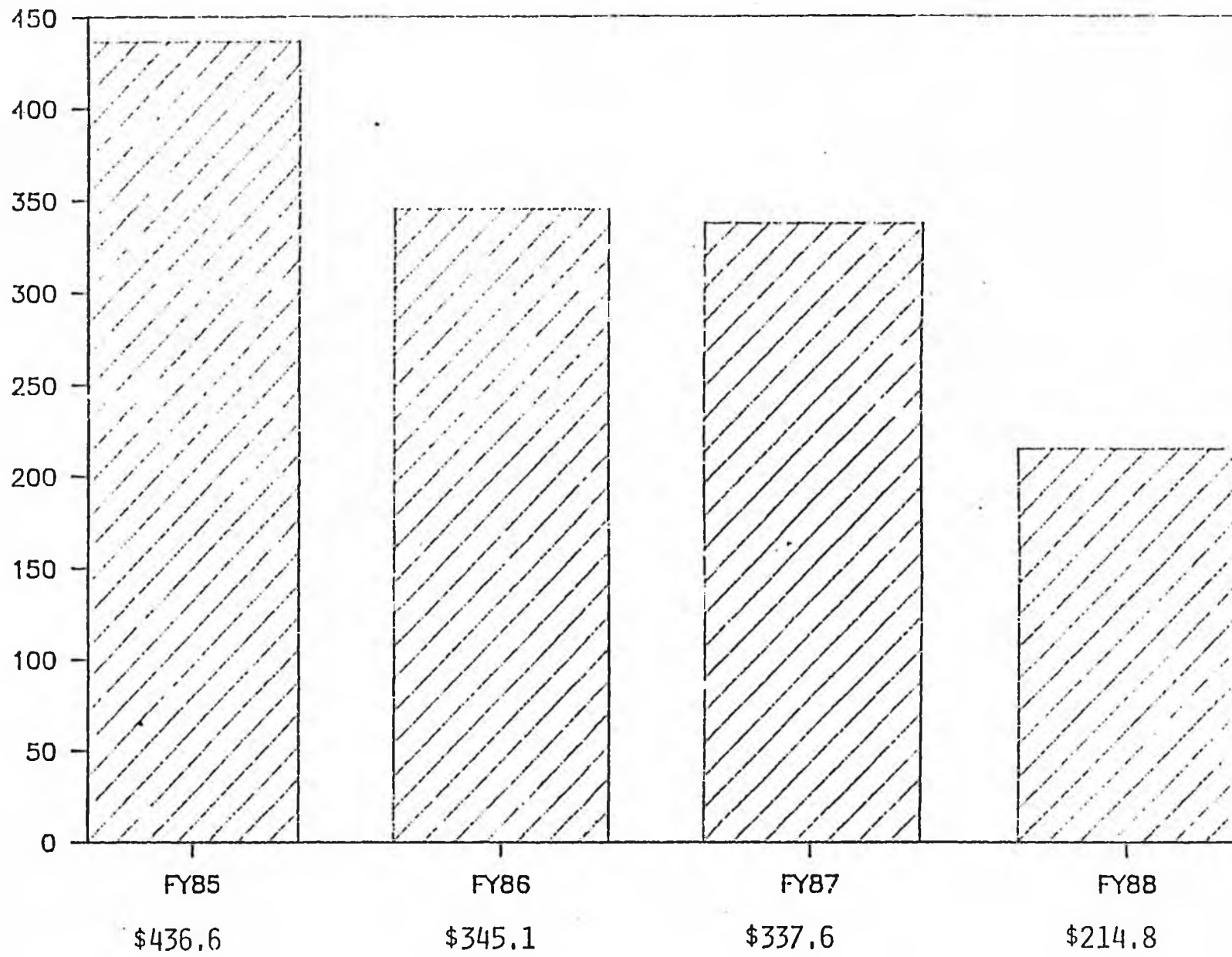
- \* VPSO firefighter level training - 2 two-week courses
- \* Maintenance of an audio visual lending library
- \* Purchase of updated programs for lending library
- \* Four outreach programs in conjunction with the National Fire Academy
- \* One Train-the-Trainer program in Hazardous Materials
- \* Training teams (itinerant instructors) to 4 local communities or fire departments
- \* Training grants to 10 - 12 communities

(Summary Narrative FY83 Budget, FST, cont.)

In FY88, given the budget as proposed, the following functions will not be accomplished as in FY87:

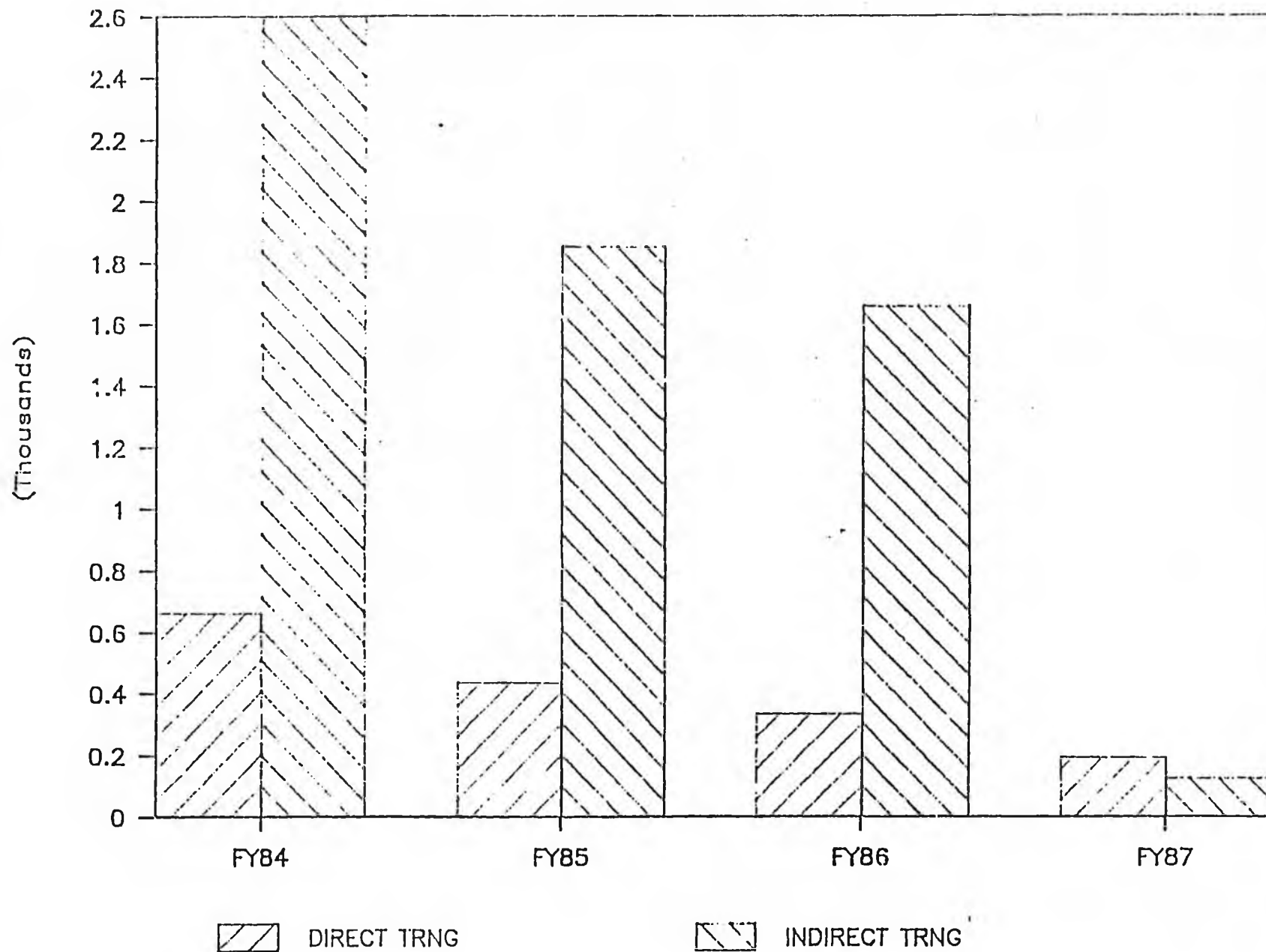
- \* Instructor testing and certification
- \* Firefighter testing and certification
- \* Evaluation of local training programs for accreditation purposes
- \* Completion of Hazardous Materials certification program and curriculum development
- \* Completion of Firefighter II certification program and curriculum development
- \* Existing curriculum and examination updates and revision
- \* Training programs in Methods of Instruction for two levels of instructors
- \* Training teams (itinerant instructors) to 12 local communities or fire departments
- \* Training grants awarded to 20 - 30 fire departments or communities
- \* Assistance to local communities or fire departments in developing public fire education programs
- \* Sprinkler trailer demonstrations in southeast Alaska
- \* State representation on advisory boards of regional fire training centers
- \* Maintenance of State fire equipment (\$350,000+) at regional fire training centers
- \* State representation on national training boards, input into national standards and training functions which affect Alaska's fire service

FIRE SERVICE TRAINING BUDGET FY85 - 88



# TRAINING STATISTICS

FY 84 - 87



## FIRE SERVICE TRAINING - INSTRUCTOR CERTIFICATION PROGRAM

Similar in function to the Department of Education's teacher certification program, the fire instructor certification program has been in existence for the past ten years. At this time there are 412 instructors certified at various levels of competence.

In FY87, 146 fire service applicants were tested and certified, 115 at the Instructor I level, and 30 at the Instructor II level. Applicants represent 32 fire departments which are listed below by area.

The FY88 budget will require elimination of this program due to the elimination of the position responsible for testing, certification, revision of examinations, and evaluation of applicant qualification for testing.

### Fairbanks - 11 fire departments

Eielson Air Force Base	Nenana Dept of Public Safety
University of Alaska	Fairbanks Intl Airport
Fort Greely	Steese
North Star	North Pole
Fort Wainwright	Fairbanks City
Clear Air Force Station	

### Kenai Peninsula - 4 fire departments

Soldotna	Homer
Anchor Point	Ridgeway

### Kodiak Island - 3 fire departments

Kodiak City	U. S. Coast Guard Base
Bayside	

### Southeastern - 5 fire departments

Juneau	Glacier
Auke Bay	

### Rural - 3 fire departments

Chignik Bay	Takotna
Kotzebue	

### Anchorage - 3 fire departments

Anchorage	Elmendorf Air Force Base
Fort Richardson	

### Matanuska-Susitna Borough - 2 fire departments

Lakes	Wasilla
-------	---------

### North Slope - 2 fire departments

Conoco	ARCO
--------	------

## FIRE SERVICE TRAINING - FIREFIGHTER CERTIFICATION PROGRAM

Fire Service Training functions as the sole certification office for fire personnel training. Statewide there are 213 firefighters certified at the Firefighter I level, through State sponsored training programs as well as through local programs accredited by the State.

The Firefighter I training series sponsored by Fire Service Training was eliminated in FY87 due to revenue limitations. However, firefighters were certified from eight local training programs during this year. In FY88 this program will be eliminated due to the elimination of the position responsible for evaluating local Firefighter I training program accreditation and conducting proficiency examinations of applicants.

Those fire departments which certified firefighters in FY87 are:

Lynn Canal	Homer
Wasilla	Big Lake
Lakes	Nikiski
Auke Bay	Glacier

Other participating departments are:

Unalaska	Valdez
Anchorage	Kenai
Cordova	Fort Richardson
Ketchikan	Juneau area
Seward	Kodiak
Delta Junction	Petersburg
Fort Greeley	Mat Su Chiefs Association
Fairbanks	

## FIRE SERVICE TRAINING - GRANTS PROGRAM FY87

Historically, between 35 and 50 fire departments or communities apply for local and regional fire training grants in any fiscal year, with 25 - 35 of these actually qualifying and receiving grants. The following is a list of those fire departments/communities which applied for and were denied grants in FY87 due to insufficient State revenues. Proposed FY88 budget would allow training grants to be issued to 10 - 12 fire departments or communities. With the decline of State assistance to local communities, it is anticipated that requests for fire training grants will increase considerably and become highly competitive in FY88.

Alaska Fire Chiefs Association  
Grayling Volunteer Fire Department  
Ekwok Volunteer Fire Department  
Shageluk City Council  
Port Heiden Volunteer Fire Department  
City of Unalakleet  
Ketchikan Fire Department  
Cities of Sand Point and King Cove  
Unalaska Fire Department  
City of Hooper Bay  
Cooper Landing Volunteer Fire Department  
Yakutat Volunteer Fire Department  
Chignik Bay Volunteer Fire Department  
Nenana Fire Division  
Nikiski Fire Department  
Pitka's Point Traditional Council  
Upper and Lower Kalskag  
Homer Volunteer Fire Department  
City and Borough of Juneau Fire Department  
Kasaan Department of Public Safety  
Chilkat Indian Village IRA  
Meadow Lakes Volunteer Fire Department  
Fairbanks North Star Borough Dept. of Community Safety  
Toksook Bay Volunteer Fire Department  
Hughes City Council  
Kenny Lake Volunteer Fire Department  
City of Aleknagik  
City of Ouzinkie Volunteer Fire Department  
Haines Volunteer Fire Department  
Alaska Association of Fire and Arson Investigators

BRU NARRATIVE

FIRE PREVENTION

THE FIRE PREVENTION BRU IS A DIVISION HOUSED IN THE DEPARTMENT OF PUBLIC SAFETY, WITH REGIONAL OFFICES IN FAIRBANKS, ANCHORAGE, AND JUNEAU. THE RESPONSIBILITY OF THIS BRU IS TO FOSTER, PROMOTE, REGULATE, AND DEVELOP WAYS AND MEANS OF PROTECTING LIFE AND PROPERTY AGAINST FIRE, EXPLOSION AND PANIC.

THE MAJOR ACTIVITIES INCLUDE: (1) CONTINUAL DEVELOPMENT AND UPDATING OF ADMINISTRATIVE REGULATIONS WHICH FORMS THE BASIC STATE FIRE AND LIFE SAFETY CODE, (2) ENFORCEMENT OF THE CODE THROUGH INSPECTION OF THOSE FACILITIES CLASSIFIED AS "HIGH PRIORITY" BY THE DIVISION, (3) ENFORCE CODES THROUGH A PLAN REVIEW OF ALL NEW CONSTRUCTION, EXCEPT FOR DWELLING UNITS WHICH ARE A 3-PLEX OR SMALLER, AND (4) INVESTIGATE FIRES INVOLVING A DEATH, SERIOUS INJURY, A LARGER DOLLAR LOSS OR A CRIME TO PROVIDE MORE ACCURATE FIRE CAUSE INFORMATION.

OTHER PRIMARY RESPONSIBILITIES INCLUDE: (5) PROVIDE A CONTINUOUS FIRE PREVENTION PROGRAM THROUGH PUBLIC EDUCATION AND TRAINING, (6) COLLECT AND DISSEMINATE DATA THROUGH A STATE-FEDERAL-LOCAL FIRE INFORMATION NETWORK KNOWN AS "ANFIRS", (7) PROVIDE TECHNICAL ASSISTANCE TO LOCAL, PRIVATE AND OTHER STATE AGENCIES ON FIRE SAFETY RELATED ISSUES, AND (8) COORDINATE A STATEWIDE HAZARDOUS MATERIAL "RIGHT 2 KNOW" IDENTIFICATION PROGRAM.

THE FIRE SERVICE TRAINING COMPONENT OF THIS BRU MANAGES A TRAINING AND EDUCATION SERVICE WHICH PROVIDES INSTRUCTIONS IN FIRE SUPPRESSION FOR RURAL AND URBAN FIRE DEPARTMENTS AND VARIOUS TRAINING DESIGNED TO DEVELOP FIRE SERVICE PERSONNEL IN ALL RANKS TO MAXIMIZE THEIR EMERGENCY RESPONSE CAPABILITIES.

## STATE OF ALASKA -- BUDGET UNIT SUMMARY

SALSFRMA 10:55 1/30/87

AGENCY: DEPARTMENT OF PUBLIC SAFETY  
CATEGORY: PUBLIC PROTECTION

PROGRAM: FIRE PREVENTION

LEG. FIN.

COMPONENT DESCRIPTION	FY87 ATH	FY87 REV	TRANSFER	DECRMTS	INCRMNTS	GOVERNOR	HOUSE	SENATE	C. C.	BILLS
FIRE PREVENTION OPERATIONS	1330.4	1240.8	-5.0	-159.6		1076.2				
FEDERAL COMMUNITY PROJECTS	10.0	10.0		-10.0						
FIRE SERVICE TRAINING	337.6	299.6	-15.1	-69.7		214.8				
** TOTAL	1678.0	1550.4	-20.1	-239.3		1291.0				
** CHANGE VERSUS FY87 ATH				-114.2%	-100.0%	-100.0%	-23.0%	-100.0%	-100.0%	
OBJECT DESCRIPTION										
PERS. SERV.	1210.6	1151.0	-12.8	-229.3		908.9				
TRAVEL	103.1	96.5	10.0	-8.1		98.4				
CONTRACTUAL	253.1	223.1	-10.7	-1.6		210.8				
COMMODITIES	51.8	50.8		-3		50.5				
EQUIPMENT	2.0	2.0				2.0				
GRANTS, CLMS	57.4	27.0	-6.6			20.4				
FUNDING SUMMARY										
FED. RECEIPT	10.0	10.0		-10.0						
GENERAL FUND	1274.3	1146.7	-20.1	-229.3		897.3				
PGM RECEIPTS	330.6	330.6		-330.6						
OTHER FUNDS	63.1	63.1		330.6		393.7				
** GENERAL FUND CHANGE VS. FY87 ATH				-117.9%	-100.0%	-100.0%	-29.5%	-100.0%	-100.0%	
POSITIONS										
FULL TIME	20.0	19.0	1.0	-3.0		17.0				
PART TIME		1.0		-1.0						
STAFF MONTHS	240.0	238.0	12.0	-48.0		202.0				

06-12-01-00-00 (12-55-2-05-01-00)

## STATE OF ALASKA -- COMPONENT BUDGET SUMMARY

SALSFRMA 10:55 1/30/87

AGENCY: DEPARTMENT OF PUBLIC SAFETY  
CATEGORY: PUBLIC PROTECTIONPROGRAM: FIRE PREVENTION  
SUB-PROGRAM: FIRE PREVENTION OPERATIONS

LEG. FIN.

## ----- F I S C A L Y E A R 1 9 8 8 -----

EXPENDITURES & FUNDING	(01) FY86 ACT	(02) FY87 ATH	(24)	(03) FY87 REV	(04) TRANSFER	(05) DECRMTS	(06) INCRMNTS	(23)	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) C. C.	(12) BILLS
01 PERS. SERV.	1029.8	1021.3		961.7	-4.3	-159.6			797.8				
02 TRAVEL	80.8	67.7		67.7					67.7				
03 CONTRACTUAL	150.6	210.6		180.6	-7				179.9				
04 COMMODITIES	14.1	28.8		28.8					28.8				
05 EQUIPMENT	1.8	2.0		2.0					2.0				
06 LANDS/BLDGS													
07 GRANTS, CLMS	.4												
08 MISC.													
MM TOTAL EXPEND	1277.5	1330.4		1240.8	-5.0	-159.6			1076.2				
09 I-A TRANSFER	86.6	30.0		30.0					30.0				
1002 FED RCPTS	10.0												
1004 GEN FUND	1004.4	963.0		873.4	-5.0	-159.6			708.8				
1005 I/A RCPTS		36.8		36.8					36.8				
1011 LIC/PER/CT						297.0			297.0				
1013 PUBL/OTHER						33.6			33.6				
1028 PGM RCPTS	263.1	330.6		330.6		-330.6							
15 FULL TIME	17.0	17.0		16.0		-2.0			14.0				
16 PART TIME				1.0		-1.0							
17 TEMPORARY													
18 STAFF MONTHS	204.0	204.0		202.0		-36.0			166.0				

06-12-01-00-00 (12-55-2-05-01-00)

STATE OF ALASKA -- COMPONENT BUDGET ANALYSIS

SALSFRMA 10:55 1/ 37

AGENCY: DEPARTMENT OF PUBLIC SAFETY  
CATEGORY: PUBLIC PROTECTION

PROGRAM: FIRE PREVENTION  
SUB-PROGRAM: FIRE PREVENTION OPERATIONS

LEG. FIN.

\*\*\*\*\* FY87 REV ANALYSIS \*\*\*\*\*

OBJECT GROUP	VARIATION		DESCRIPTION: FY87 REV (\$1,240.8) VERSUS FY87 ATH (\$1,330.6)
01 PERS. SERV.	-59.6	-5.8%	HOLD THE EDUCATION SPECIALIST POSITION VACANT <659.6>.
03 CONTRACTUAL	-30.0	-14.2%	REDUCE PROFESSIONAL SERVICES <630.0>.
** TOTALS	-89.6	-6.7%	

\*\*\*\*\* GOVERNOR'S ANALYSIS (87 REV TO 88 GOV) \*\*\*\*\*

TOTAL GEN_FUND	OTH_FUND	PFT	PPT	DESC
-0.7	-0.7	0.0	0.0	0.0 TRANSFER P.C. MAINTENANCE AGREEMENTS #2008
-19.4	-19.4	0.0	0.0	0.0 TRANSFER RIP REQUIREMENT FOR FY88 #2009
15.1	15.1	0.0	0.0	0.0 REDUCED VACANCY AND TURNOVER #2010
-159.6	-159.6	0.0	-2.0	-1.0 REDUCE LOCAL CODE ENFORCEMENT #2011
0.0	0.0	0.0	0.0	0.0 CHANGE PROGRAM RECEIPTS TO PUBLICATIONS/OTHER SERV #2017
0.0	0.0	0.0	0.0	0.0 CHANGE PROGRAM RECEIPTS TO LICENSE/PERMITS/CERT. #2018

\*\*\*\*\* PROGRAM DESCRIPTION & PRIOR YEAR INFORMATION \*\*\*\*\*

1986 LEGISLATION: HB 647 (CH 108) \$33.6 GF FOR WARNING PLACARDS AND FOR MUNICIPAL REPORTING PROGRAMS FOR HAZARDOUS WASTES.

06-12-01-05-00 (00-00-0-00-00-00)

STATE OF ALASKA -- COMPONENT BUDGET SUMMARY

SALSFRMA 10:55 1/30/87

AGENCY: DEPARTMENT OF PUBLIC SAFETY  
 CATEGORY: PUBLIC PROTECTION

PROGRAM: FIRE PREVENTION  
 SUB-PROGRAM: FEDERAL COMMUNITY PROJECTS

LEG. FIN.

----- F I S C A L Y E A R 1 9 8 8 -----

EXPENDITURES & FUNDING	(01) FY86 ACT	(02) FY87 ATH	(24)	(03) FY87 REV	(04) TRANSFER	(05) DECRMTS	(06) INCRMTS	(23)	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) C. C.	(12) BILLS
01 PERS. SERV.													
02 TRAVEL	3.5	8.1		8.1		-8.1							
03 CONTRACTUAL	.7	1.6		1.6		-1.6							
04 COMMODITIES	2.0	.3		.3		-.3							
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
** TOTAL EXPEND	6.2	10.0		10.0		-10.0							
09 I-A TRANSFER													
1002 FED RCPTS	6.2	10.0		10.0		-10.0							
15 FULL TIME													
16 PART TIME													
17 TEMPORARY													
18 STAFF MONTHS													

06-12-01-05-00 (00-00-0-00-00-00)

STATE OF ALASKA -- COMPONENT BUDGET ANALYSIS

SALSFARMA 10:55 1/30/87

AGENCY: DEPARTMENT OF PUBLIC SAFETY  
CATEGORY: PUBLIC PROTECTION

PROGRAM: FIRE PREVENTION  
SUB-PROGRAM: FEDERAL COMMUNITY PROJECTS

LEG. FIN.

\*\*\*\*\* FY87 REV ANALYSIS \*\*\*\*\*

\*\*\*\*\* GOVERNOR'S ANALYSIS (87 REV TO 88 GOV) \*\*\*\*\*

TOTAL GEN_FUND	OTH_FUND	PFT	PPT	DESC
-10.0	0.0	-10.0	0.0	0.0 THREE-YEAR FUNDING EXPIRES IN FY88 82012

06-12-01-10-00 (00-00-0-00-00-00)

## STATE OF ALASKA -- COMPONENT BUDGET SUMMARY

SALSFRMA 10:55 1/30/87

AGENCY: DEPARTMENT OF PUBLIC SAFETY  
CATEGORY: PUBLIC PROTECTIONPROGRAM: FIRE PREVENTION  
SUB-PROGRAM: FIRE SERVICE TRAINING

LEG. FIN.

EXPENDITURES & FUNDING	F I S C A L Y E A R 1 9 8 8												
	(01) FY86 ACT	(02) FY87 ATH	(24)	(03) FY87_REV	(04) TRANSFER	(05) DECRMTS	(06) INCRMTS	(23)	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) C. C.	(12) BILLS
01 PERS. SERV.		189.3		189.3	-8.5	-69.7			111.1				
02 TRAVEL		27.3		20.7	10.0				30.7				
03 CONTRACTUAL		40.9		40.9	-10.0				30.9				
04 COMMODITIES		22.7		21.7					21.7				
05 EQUIPMENT													
06 LANDS/BLDGS													
07 GRANTS, CLMS		57.4		27.0	-6.6				20.4				
08 MISC.													
MM TOTAL EXPEND		337.6		299.6	-15.1	-69.7			214.8				
09 I-A TRANSFER													
1004 GEN FUND		311.3		273.3	-15.1	-69.7			188.5				
1005 I/A RCPTS		26.3		26.3					26.3				
15 FULL TIME		3.0		3.0	1.0	-1.0			3.0				
16 PART TIME													
17 TEMPORARY													
18 STAFF MONTHS		36.0		36.0	12.0	-12.0			36.0				

06-12-01-10-00 (00-00-0-00-00-00)

STATE OF ALASKA -- COMPONENT BUDGET ANALYSIS

SALSFRMA 10:55 1/30/87

AGENCY: DEPARTMENT OF PUBLIC SAFETY  
CATEGORY: PUBLIC PROTECTION

PROGRAM: FIRE PREVENTION  
SUB-PROGRAM: FIRE SERVICE TRAINING

LEG. FIN.

\*\*\*\*\* FY87 REV ANALYSIS \*\*\*\*\*

OBJECT GROUP	VARIATION		DESCRIPTION: FY87 REV (\$299.6) VERSUS FY87 ATH (\$337.6)
02 TRAVEL	-6.6	-24.2%	REDUCE TRAVEL AND PER DIEM <\$6.6>.
04 COMMODITIES	-1.0	-4.4%	REDUCE OFFICE AND LIBRARY SUPPLIES <\$1.0>.
07 GRANTS, CLMS	-30.4	-53.0%	
** TOTALS	-38.0	-11.3%	

\*\*\*\*\* GOVERNOR'S ANALYSIS (87 REV TO 88 GOV) \*\*\*\*\*

TOTAL	GEN_FUND	OTH_FUND	PFT	PPT	DESC
-15.1	-15.1	0.0	0.0	0.0	DELETION OF PCN 2022 & RECLASSIFYING PCN 2021 #2013
0.0	0.0	0.0	1.0	0.0	FIRE SVC TRAINING CENTER CLERK III POSITION #2015
-69.7	-69.7	0.0	-1.0	0.0	TRAINING WILL BE SHIFTED TO LOCAL DEPARTMENTS #2016

## STATE OF ALASKA -- BUDGET UNIT SUMMARY

SALSFRMA 10:55 1/30/87

AGENCY: DEPARTMENT OF PUBLIC SAFETY  
CATEGORY: PUBLIC PROTECTION

PROGRAM: STATE FIRE COMMISSION

LEG. FIN.

COMPONENT DESCRIPTION	FY87 ATH	FY87 REV	TRANSFER	DECRMTS	INCRMNTS	GOVERNOR	HOUSE	SENATE	C. C.	BILLS
STATE FIRE COMMISSION	180.0									
** TOTAL	180.0									
** CHANGE VERSUS FY87 ATH				-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%
OBJECT DESCRIPTION										
PERS. SERV.	94.7									
TRAVEL	44.8									
CONTRACTUAL	25.4									
COMMODITIES	1.6									
EQUIPMENT	13.5									
FUNDING SUMMARY										
GENERAL FUND	180.0									
** GENERAL FUND CHANGE VS. FY87 ATH				-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%	-100.0%
POSITIONS										
FULL TIME	2.0									
STAFF MONTHS	24.0									

06 02-01-00 (00-00-0-00-00-00)

STATE OF ALASKA -- COMPONENT BUDGET SUMMARY

SALSFRMA 10:55 1/30/87

AGENCY: DEPARTMENT OF PUBLIC SAFETY  
 CATEGORY: PUBLIC PROTECTION

PROGRAM: STATE FIRE COMMISSION  
 SUB-PROGRAM: STATE FIRE COMMISSION

LEG. FIN.

FISCAL YEAR 1988

EXPENDITURES & FUNDING	(01) FY86 ACT	(02) FY87 ATH	(24)	(03) FY87 REV	(04) TRANSFER	(05) DECRMTS	(06) INCRMNTS	(23)	(08) GOVERNOR	(09) HOUSE	(10) SENATE	(11) C. C.	(12) BILLS
01 PERS. SERV.		94.7											
02 TRAVEL		44.8											
03 CONTRACTUAL		25.4											
04 COMMODITIES		1.6											
05 EQUIPMENT		13.5											
06 LANDS/BLDGS													
07 GRANTS, CLMS													
08 MISC.													
MM TOTAL EXPEND		180.0											
09 I-A TRANSFER													
1004 GEN FUND		180.0											
15 FULL TIME		2.0											
16 PART TIME													
17 TEMPORARY													
18 STAFF MONTHS		24.0											

06-12-02-01-00 (00-00-0-00-00-00)

STATE OF ALASKA -- COMPONENT BUDGET ANALYSIS

SALSFRMA 10:55 1/30/87

AGENCY: DEPARTMENT OF PUBLIC SAFETY  
CATEGORY: PUBLIC PROTECTION

PROGRAM: STATE FIRE COMMISSION  
SUB-PROGRAM: STATE FIRE COMMISSION

LEG. FIN.

\*\*\*\*\* FY87 REV ANALYSIS \*\*\*\*\*

OBJECT GROUP	VARIATION		DESCRIPTION: FY87 REV (90.0) VERSUS FY87 ATH (9180.0)
01 PERS. SERV.	-94.7	-100.0%	DUE TO REVENUE SHORTFALLS, THE COMMISSION WILL NOT BE ESTABLISHED IN FY87 <\$94.7>
02 TRAVEL	-44.8	-100.0%	DUE TO REVENUE SHORTFALLS, THE COMMISSION WILL NOT BE ESTABLISHED IN FY87 <\$44.8>
03 CONTRACTUAL	-25.4	-100.0%	DUE TO REVENUE SHORTFALLS, THE COMMISSION WILL NOT BE ESTABLISHED IN FY87 <\$25.4>
04 COMMODITIES	-1.6	-100.0%	DUE TO REVENUE SHORTFALLS, THE COMMISSION WILL NOT BE ESTABLISHED IN FY87 <\$1.6>
05 EQUIPMENT	-13.5	-100.0%	DUE TO REVENUE SHORTFALLS, THE COMMISSION WILL NOT BE ESTABLISHED IN FY87 <\$13.5>
** TOTALS	-180.0	-100.0%	

\*\*\*\*\* PROGRAM DESCRIPTION & PRIOR YEAR INFORMATION \*\*\*\*\*

1986 LEGISLATION: SB 209 (CH 84) \$180.0 GF FOR CREATION AND OPERATION OF THE ALASKAN STATE FIRE COMMISSION.



Official Business

# Alaska State Legislature

## House

P.O. BOX V  
State Capitol  
Juneau, Alaska 99811

### M E M O R A N D U M

March 30, 1987

TO: Representative Dave Donley,  
Chair, House Labor & Commerce Committee

FROM: Representative Fran Ulmer

RE: House Bill 230

As you know, today I introduced House Bill 230, "An Act relating to the premium tax on certain insurers". This bill was referred to the Labor & Commerce Committee as the committee of first referral.

I would appreciate it very much if you could schedule a hearing for this bill as soon as possible.

Thank you for your consideration.

# REGIONAL FIRE TRAINING CENTER

APR 21 1987

ANCHORAGE REGIONAL FIRE TRAINING CENTER  
ADVISORY COUNCIL

April 14, 1987

Honorable Dave Donley, Chairman  
House Labor & Commerce Committee  
Alaska State House  
Pouch V  
Juneau, Alaska 99811

Dear Representative Donley and Members,  
House Labor & Commerce Committee:

In these times of declining revenue, I'm sure that any proposal that would increase funding to the state is something of a rarity. However, just such a situation appears to exist.

Until last year, the insurance industry had paid a 3% premium tax, which was then reduced to 2.7%. There now appears to be several compelling reasons for bringing that tax back to 3.0%, and that such increase would be in the best interest of all concerned. It is our understanding that such increase would be both feasible and legal, and would not represent any increase to the insurance industry over what they have been paying for years.

Since the budget proposal for FY-88 severely reduces funding for the State Fire Marshal's Office and the State Fire Service Training Program within the Department of Public Safety, it seems clear that the state will be able to do substantially fewer fire code reviews of building plans, fire prevention inspections, fire code violation abatement, arson investigation, training of firefighters at the Regional Training Centers and other related fire and life safety activities. With a reduction of these activities, the likelihood of accidental fires increasing is all but certain. With an increase in fires, (and we have already seen an increase in arson fires), the insurance companies face the prospect of increasing claims to pay.



1140 AIRPORT HEIGHTS ROAD  
ANCHORAGE, ALASKA  
98504

PHONE: (907) 278-4413

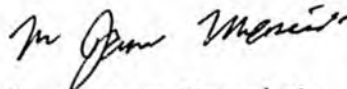


However, with the premium tax brought back to the previous level of 3.0%, an additional \$2.5 million may be available to the general fund.

Such action would appear to be in the best interests of both the Fire Service statewide and the insurance industry, which have the common goal of reducing fire losses, and at the same time, the general fund would also be enhanced.

HB-230, introduced by Representative Ulmer on March 30, would restore the full premium tax, and directs that certain funds may be used by the legislature for fire prevention services. We understand this bill has been assigned to your committee for hearings. Our Council urges your favorable consideration of this measure.

Sincerely Yours,



M. James Messick, Chairman  
Anchorage Regional Fire  
Training Center Council

MJM:mb

Blue Cross  
of Washington and Alaska



6.FYI ✓  
LC

3111 C Street, Suite 100  
P.O. Box 10-2480  
Anchorage, Alaska 99510-2480  
(907) 561-5065

April 24, 1987

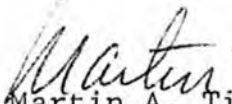
The Honorable Dave Donley  
House of Representatives  
P.O. Box V  
Juneau, Alaska 99811

Dear Representative Donley:

Thank you for your attention in considering Blue Cross of Washington and Alaska's concerns about premium taxes. Increases in premium taxes will have a definite affect on the affordability and consequently the protection afforded by hospital and medical service corporation benefit programs.

The personal courtesy shown me by you and your staff is deeply appreciated.

Sincerely,

  
Martin A. Tirador  
Senior Representative  
Corporate Relations