

HB

230

BILL NO:

CSHB 230 (Fin)

TITLE:

An act relating to the premium tax on certain insurers.

DATE:

May 12, 1987

CONTACT:

Gordon Brunton
465-4331

DEPARTMENT OF
PUBLIC SAFETY

This measure increases the insurance premium tax 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.

Alaska fire losses, both deaths and property, are 2.5 times that of the rest of the United States. In fact, they are the highest in the industrialized western world. We believe this to be unacceptable. Passage of CSHB 230 (Fin) will provide the resources needed to reduce these losses.

During the era of high revenues, the Legislature provided funds for fire protection equipment and facilities. Now there needs to be support for the firefighters and preventers who utilize these facilities for the protection of their communities.

The Division of Fire Prevention serves in both direct and indirect capacities to achieve its mission. Direct delivery of code enforcement, investigations and training are provided as well as indirect delivery by various means of support to local fire departments and fire related organizations. Should this bill pass, and the Legislature appropriate the funds, the division would be able to provide the following:

- Maintenance of the inspection of high-risk facilities, such as health care, schools, pre-schools, day care, correctional institutions, large assembly occupancies, and high rises, without implementing a user fee or inspection charge, a concept that, to date, has met with little enthusiasm or probability.
- Continuation of the plan review program, well received by architects and designers, which helps insure that safe buildings are erected in compliance with State fire codes.
- Improved response to requests for investigative assistance in suspicious and large loss fires to determine causes and assign responsibilities, and the implementation of arson prevention programs such as the Arson Awards, Arson Hot Line, juvenile fire setter counseling. There has already been an increase in arson fires since the downturn in the economy.
- Continuation and expansion of the fire information network, a vital tool used to gather information regarding fires, E.M.S. activities, and hazardous materials incidents, so that the fire service can better manage their operations.

- Direct assistance in the form of training and certification of personnel at various levels of competence, both at local fire departments and at regional fire training centers.
- Indirect assistance by the development of statewide personnel performance standards and curriculum, accreditation of local training programs, and provision of grants for approved local and regional training projects.
- Assistance in the development of programs to educate the public in methods to protect themselves against fire and other disasters.

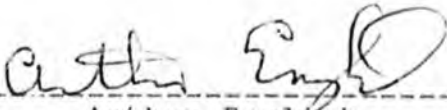
To put this all into perspective, take the case of Bethel. In the early 1980's we identified Bethel as having an extremely high fire death rate. Causes were identified through careful investigations. Treatments were devised, training provided, and programs implemented. The results: only 2 fire deaths since 1983, as compared to 12 for 1980-1982. Accurate collection of data, access to public education resources, effective training and delivery, while an oversimplification, caused this dramatic turnaround in Bethel.

Volunteerism has historically been the backbone of the fire service. Alaska has some 250 fire departments, of which 30 are fully or partly paid; the rest are staffed by volunteers. An untold amount of time and resources are donated to protecting local communities from fire and other disasters, both natural and man-made. A few have undertaken the effort to enforce fire codes through inspections and plan reviews, to make accurate determinations of the causes of fires, and to educate their citizens about fire safe practices. Most have only the resources to concentrate their efforts on maintaining a well trained and equipped cadre of volunteers to combat the inevitable--a chemical spill, a fire of any proportion (structural, wildland, aircraft, marine or vehicular), an EMS emergency. A reduction in the assistance now provided by the division to local fire departments will not result in their assuming those duties. The local situation is directly impacted by the assistance provided by the State.

There are presently 21 different State agencies which address fire in some form, as well as many at the local and federal levels. The Fire Commission was established to provide a focal point for all these fire programs. Funding for the commission

will allow it to develop and implement a master plan encompassing all fire agencies in the state, develop policies and establish directions for those programs, correlate and analyze data, recommend actions to improve the quality of fire protection, and provide technical assistance. It is believed that such a system will result in not only a reduction in fire losses, but also a reduction in the resources currently being expended.

The Department of Public Safety supports passage of this bill.



Arthur English
Commissioner

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

REQUEST: _____

Bill Version: CSHB 230(fin)
Publish Date: _____

Revision Date: _____
Title: An act relating to the premium tax on certain insurers.
Sponsor: Rep. Ulmer, Goll, Navarre...
Requestor: Senate 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						
TOTAL OPERATING		0	0	0	0	0
CAPITAL		0	0	0	0	0
REVENUE		1,448.6	2,897.2	2,897.2	2,897.2	2,897.2

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		0	0	0	0	0

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary) Revenue estimates from Div. of Insurance
There is no fiscal impact on Public Safety. The bill creates additional revenues which may be available to fund the Fire Commission and other fire prevention/training programs. We intend to submit a supplemental budget to utilize this revenue source.

JNR
5/12/87

Prepared by: Gordon E. Brunton
Division: Fire Prevention

Phone: 465-4331
Date: 5/12/87

Approved by Commissioner: _____
Agency: Public Safety

Date: 5/12/87

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

FISCAL NOTE

REQUEST

Revision Date: 2/10/88 Agency Affected: Public Safety
 Title: An act relating to the premium BRU: Fire Prevention
tax on certain insurers.
 Sponsor: Ulmer, Goll, Navarre Components: _____
 Requestor: Senate Labor & Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-
CAPITAL		-0-	-0-	-0-	-0-	-0-
REVENUE		1,448.6	2,897.2	2,897.2	2,897.2	2,897.2

FUNDING: (Thousands of Dollars)

GENERAL FUNDS						
FEDERAL FUNDS						
OTHER						
TOTAL		-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary)

Passage of this bill would result in the amounts shown above being available for appropriation by the Legislature to fund the State Fire Commission and other fire protection and training services. The above figures are based upon revenue estimates from the Dept. of Commerce, Div. of Insurance.

Prepared by: Gordon E. Brunton Phone: 465-4331
 Division: Fire Prevention Date: 2/10/88

Approved by Commissioner: Donna Hartzel, Dep. Commr. Date: 2-11-88
 Agency: Dept. of Public Safety

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

Officials report 'safe fire year'

245
By MACHELE MARTIN
Staff Writer

Local fire department officials said Monday arson-related fires don't appear to be a problem on the peninsula. This runs counter to a state report that arson has doubled in other parts of Alaska.

And, although local fire officials said there wasn't an increase in the number of fire calls received this year as compared to 1985, they said the numbers could raise as the economy continues to dwindle.

According to wire service reports, a study was completed late this year by the state Division of Fire Prevention which concluded that 48 percent of structure fires reported in 1986 were started by arsonists. In 1985, about 20 percent of the structure fires in the state were determined to be arson-related, according to the article.

Kenai Fire Marshall Don Morgan reported seven possible arson fires in 1985 for the City of Kenai. Although that number to date has more than doubled at 16, he said the "majority of the suspicious fires weren't the result

See ARSON, back page

QUALITY SERVICES

Date DEC 30 1986

Peninsula Clarion

Client No. 245

...Arson fires on rise in Alaska

Continued from page 1

of profit," by reaping the benefits of an insurance policy. The majority of suspicious fires were "more vandalism-related," he said.

Michael Huckabay, fire prevention officer for Central Emergency Services, reported only one suspicious fire this year in the Soldotna area. Last year only two or three possible arson-related fires occurred, he said.

Morgan said he believed the problem of arson fires was seen more around the interior of the state because of economic woes. He said building owners in the interior are looking for a way to make ends meet, their solution being a fire. People may torch their homes and then sell it to the insurance company to avoid further mortgage payments, he added.

Peninsula residents don't seem to be at that "desperate stage" in the declining economy, Huckabay said.

Huckabay said potential arsonists on the Kenai peninsula also could be discouraged by vigorous investigations of suspicious

fires. The investigations to determine cause of a fire "are so complete it's fairly easy" to spot foul play, he said. Most "are accidental or maintenance related," he added.

"It's been a safe fire year," Nikiski Chief Al Willis said. Willis attributed the good year to the school fire programs at community residents "being very conscious of what the fire areas are."

Willis said a conviction hasn't been made in the Nikiski area since 1982. "There's not enough suspicion out there" to be convicting anyone, he said.

Statewide, the conviction rate is not impressive. Much of the evidence in suspicious arson cases is circumstantial and does not hold up well in court. "Fires are after the fact and it takes a lot of background work and hard luck to get a good solid conviction," Morgan said.

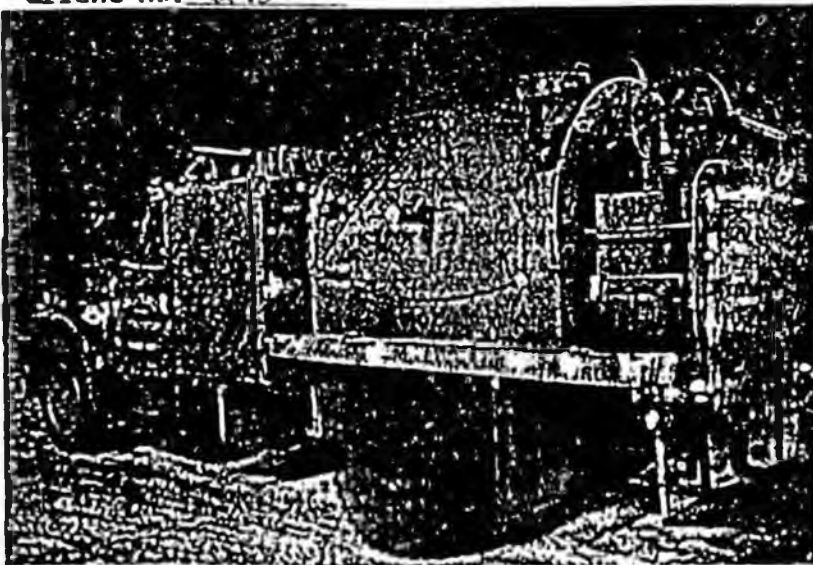
An estimated 500 fires statewide were attributed to arsonists in 1986, but only 3 percent to 5 percent of the arsonists will even get to court.

QUALITY SERVICES

Date DEC 30 1986

Fairbanks Daily News

Client No. 245



TRAVELING MUSIC—The North Pole Fire Department's decorated tanker cruised the city streets nightly for several weeks before Christmas. Firefighters hooked the strings of colored lights and a loudspeaker system up to a gas-powered generator and played Christmas carols as they drove around town. 215

Connie Oehring News Pinner

QUALITY SERVICES

Date DEC 29 1986

Sitka Sentinel

Client No. 245

Emergency Calls

A Sitka Volunteer Fire Department ambulance crew transported a patient from the Pioneers Home to Mt. Edgecumbe Hospital at 8 a.m. Friday.

A patient was transported from 1919 Dodge Circle to Sitka Community Hospital late Friday morning.

A patient was transported from the Pioneers Home to Sitka Community Hospital at 2 p.m.

Still another patient from the Pioneers Home was transported to Mt. Edgecumbe Hospital at 3 p.m. Friday.

A patient was transported from Mt. Edgecumbe Hospital back to the Pioneers Home at 4:50 p.m. Friday.

A patient was transported from Ken Brown Apartments to Mt. Edgecumbe Hospital at 6:46 a.m. Saturday.

A crew in the department's fire boat was dispatched to Big Gavanski Island, near Middle Island, to search for two overdue hunters at 8 p.m. Sunday. The hunters later returned safely to Sitka, said the fire department and Coast Guard.

DEC 29 1986

etchikan Daily News

Client No. 245

Arson reports rise

ANCHORAGE (AP) — The percentage of building fires attributed to arson more than doubled statewide this year, the state Division of Fire Prevention reported.

A study completed late this year concluded 48 percent of the structure fires reported in 1986 were started by arsonists, said Vern Long, assistant fire marshal for the state Division of Fire Prevention. In 1985, about 20 percent of the structure fires in the state were determined to be arson-related, he said.

The Matanuska-Susitna Borough registered the most dramatic increase in arson fires this year, he said. Since 1985, the arson rate has increased an average of 200 percent to 300 percent in most areas of the borough.

The Meadow Lakes area, just north of Wasilla, has seen a 400 percent to 500 percent increase, Long said. Some 30 fires in the area during the past two years were suspected to be the work of arsonists.

Long said. Of some 150 fires investigated in Fairbanks, as many as 40 percent were found to be arson-related last year, Long said. This year, about 80 percent of the fires were believed to have been set, he said.

Anchorage Fire Chief Ross Fosberg said Anchorage has registered no noticeable increase in arson-related fires, and has posted a decline in fire-related injuries and deaths. While fires of all kinds caused \$12 million in property damage in 1985, that figure fell to \$8 million this year, Fosberg said.

He attributed the positive trends to good fortune, fire prevention education programs and vigorous prosecution of arsonists. Of 18 people charged with arson in the city, 17 were convicted this year, Fosberg said.

Statewide, the conviction rate is not impressive, Long said. Much of the evidence suspected arson cases does not hold up well in court. An estimated 500 fires statewide were attributed to arsonists in 1986, but only 3 percent ever go to court, Long said.

Date DEC 29 1986

Peninsula Clarion

Client No. 245

Percentage of fires caused by arson doubles

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The Meadow Lakes area, just north of Wasilla, has seen a 400 percent to 500 percent increase, Long said. Some 30 fires in the area during the past two years were suspected to be the work of arsonists.

"We think one or a group of persons is causing the havoc," Long said.

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Coalition for Home Fire Sprinklers

ALASKA CAMPAIGN
1301 E. 80th Avenue
Anchorage, Alaska 99518
(907) 267-4960

April 30, 1987

Honorable Fran Ulmer
Alaska State House
Pouch V
Juneau, Alaska 99811

Dear Representative Ulmer,

I'm sure that I'm not telling you anything that you are not already aware of when I tell you of Alaska's current status as "number one in fire fatalities in the industrialized world". But let me put in in a different perspective---imagine, if you will a warning printed on the bottom of Alaska travel brochures as follows:

WARNING: The U.S. Fire Administration has determined that your chances of dying in a fire in Alaska are greater than anywhere else in the United States.

!!!SLEEP WITH EXTREME CAUTION!!!

Sounds ridiculous doesn't it? However, while I don't advocate printing such a statement when we advertise Alaska's many wonders, the truth of the statement still remains.

We have the technology available today to virtually eliminate Alaska's fire fatality rate. Our Coalition is working very hard in that direction. The Coalition, however, can not do it alone. We have depended heavily on the support of the Alaska State Fire Marshal during our efforts. And when I say support, the records will show that I don't mean financial assistance. The Division of Fire Suppression has been an invaluable resource for advice, data, moral support, and technical assistance in our efforts to help solve Alaska's significant fire problem. It has been disappointing to watch the reduction of that Division while Alaska continues to burn its citizens at a rate higher than anywhere else in the industrialized world.



Honorary Committee

Karrem Abdul-Jabbar
Los Angeles Lakers (NBA)

Steve Allen
Entertainer

Tom McAllister
Alaska Fire Chiefs Association

Robert Purcell
Alaska State Firefighters Association

Chief Ron Coleman
Fullerton Fire Department

John George, Director
Alaska Division of Insurance

Ralph Mingo
Governor's Safety & Health Conference

U.S. Congressman David Dreier
33rd District, California

Chief Robert T. Edwards
Scottsdale, Arizona

Marty Ingels
Entertainer

Sam Neal
Alaska State Fire Marshal

U.S. Congressman Don Young
Alaska District

Chief Ross Fosberg
Anchorage Fire Department

Shirley Jones
Entertainer

Gene Kelly
Entertainer

Bill Weaver C.F.P.S.
Frank B Hall & Co. of Alaska

James F. McMullen
California State Fire Marshall

Ron Ozmins
Alaska Association of Public Fire Educators

Scott Sullivan
Providence Hospital Thermal Unit

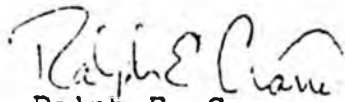
Chief Roy Parrish
Clark County, Nevada Fire Department

William Patterson
FEMA-USFA

David McDowell
Alaskan Homebuilder

House Bill 230, which is currently making its rounds of the Alaska Legislature is certainly a step in the right direction. In this era of "megetrends" and "searches for excellence", a bill like this has great potential for creating a "win-win" situation for all involved. Please support this bill.

Sincerely,



Ralph E. Crane
Executive Director
1986 Alaskan Firefighter of the Year

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



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

RECEIVED JAN 29 1987

D b



ALASKA FIRE CHIEF'S ASSOCIATION

POST OFFICE BOX 304 • CORDOVA, ALASKA 99574 • TEL. (907) 424-7473

January 22, 1987

The Honorable Bill Nix
Commissioner
Department of Public Safety
P. O. Box N
Juneau, Alaska 99811

Dear Commissioner Nix:

As President of the Alaska Fire Chief's Association, I feel compelled to write to you and tell you how angered I am by the proposal of another 20% budget cut in Fire Prevention/Fire Training for FY/88. Compounded with this year's 10% cut, our State fire agencies will be working at a pre-1972 level.

In FY/86 they had 21 employees, in FY/88 that would be reduced to 15; that is a 30% cut in personnel. Are you prepared to lay off 30% of the other Public Safety Divisions? Possibly 250 people? I doubt it; it's too easy to abuse "the little guy". Apparently you have chosen to disregard the direction of the Governor's Public Safety Transition Team Committee who, after days of in-depth study, declared that the Fire Marshal's office could not survive any further cuts.

With this cut, all inspection of existing structures will cease. Do we need to have a hundred people die in some hotel fire to wake you people up? Fire protection, to be effective must be a proactive service. It cannot afford to be a totally reactionary service similar to law enforcement. My God, there is a body count for every code on the books. One fire marshal doing a plan review or inspection can save more lives than anyone else you have working for you.

And the Fire Service Training Program is in a worse predicament. There are roughly 4000 firefighters in this state, and three people in the State Fire Service Training Program. And we might lose one of them. All those fire training programs that we have all been working on for years are down the tubes. It took years of effort to get 5 regional training centers built for over \$7 million. They will be empty buildings with these cuts.

Firefighting is the most dangerous occupation in this country; and you will reduce the training program to the status of a resource library.

Letter to Commissioner Nix
January 22, 1987
Page 2

The certified Firefighter I course which we worked years in establishing is to be dropped. I spent a year writing the Senior Fire Officer's Course, on my own time, and arranged for the first grant to put it on line. This was cut. What the hell did I spend my time for?

We in the Alaska Fire Chief's Association and Alaska Firefighter's Association, have spent our own money and time to work with OUR own State Agency to pull the fire service into the twentieth century only to have some disinterested bureaucrat meat and it to death.

I am just as aware as anyone else that state revenues are short. But, the two fire associations and the Division of Fire Prevention/Fire Training have already outlined several things that could be done to cut corners through consolidation and reorganization.

The fire service can do more with less than any group you know. Unfortunately, that is what we've been doing for years. During the pipeline years, Fire Prevention did not grow and build it's empire like other agencies, they just took their money and quietly did their jobs and provided the service. They have no fat to trim, and it is your responsibility to recognize that.

I guess it is true, nice guys do finish last.

Sincerely,



Dewey Whetsell
President

cc: Peter Jeans (Governor's Office)
Jim Sampson (Commissioner of Labor, Chairman Public Safety Transition Team)
Pat Wellington (Committee member Public Safety Transition Team)
Chief Charles Lundfeld (Committee member Public Safety Transition Team)
Gaylen Brevik (President, Alaska State Firefighters Assoc.)
Members of House of Representatives
Members Alaska Senate

STATE OF ALASKA



REPRESENTATIVE
FRAN ULMER

HOUSE OF REPRESENTATIVES

P.O. Box V
JUNEAU ALASKA 99811
(907) 485-4947

M E M O R A N D U M

January 26, 1988

TO: Senator Tim Kelly, Chair
Senate Labor and Commerce Committee

FROM: Representative Fran Ulmer

SUBJECT: House Bill 230

I would sincerely appreciate if you would hold a hearing on House Bill 230.

As expressed in the attached resolution from the Alaska Fire Chiefs Association, the bill provides a funding mechanism for the Alaska State Fire Commission. This Commission plays a significant role in the future prevention of fires throughout Alaska. The opportunity to have the funds for this Commission be generated from a user fee, which can be shared equally among the insurers and insured individuals throughout Alaska, is a very inexpensive way of providing a necessary element of safety for our citizens. An effective fire prevention program in Alaska certainly has the long-term potential for reducing consumer costs.

Some questions were raised at the hearing of House Bill 230 last session regarding a prior consent decree negotiated between several insurers and the State of Alaska. It has been established during interim that there is no conflict between House Bill 230 and that agreement.

I would be pleased to meet with you at any time that is convenient to discuss this bill further and any additional information which you would like to receive before scheduling a hearing.

My sincere appreciation for your cooperation and assistance in providing fire prevention services to our citizens.

STATE OF ALASKA



REPRESENTATIVE
FRAN ULMER

HOUSE OF REPRESENTATIVES

PO Box V
JUNEAU, ALASKA 99811
(907) 465-4947

M E M O R A N D U M

January 26, 1988

TO: Senator Tim Kelly, Chair
Senate Labor and Commerce Committee

FROM: Representative Fran Ulmer

SUBJECT: House Bill 230

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My sincere appreciation for your cooperation and assistance in providing fire prevention services to our citizens.

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

STEVE COWPER, GOVERNOR

REPLY TO:

1031 W 4th AVENUE
SUITE 200
ANCHORAGE, ALASKA 99501
PHONE: (907) 276-3550

CONFIDENTIAL ATTORNEY-CLIENT COMMUNICATIONS

May 15, 1987

NATIONAL CENTER
100 CUSHMAN ST.
SUITE 400
FAIRBANKS, ALASKA 99701
PHONE: (907) 452-1568

P.O. BOX K STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3800

The Hon. Tim Kelly
Alaska State Senate
P.O. Box V
Juneau, AK 99811

Re: House Bill 230

Dear Senator Kelly:

Representative Fran Ulmer has requested that I write to you to briefly explain the agreement reached in the premium tax litigation, which was settled last summer. Specifically, I have been asked whether the settlement agreement should have any effect on the proposals contained in House Bill 230. Because the terms of the settlement agreement are confidential by agreement of the parties, I have designated this letter to be confidential attorney-client communication.

Please be advised that your consideration of House Bill 230 should not be affected in any way by the settlement. By the express terms of the agreement, it involved only a settlement of disputed taxes for tax years 1974 through 1985. Because the Legislature last session corrected the statutes to eliminate the Constitutional questions concerning the law, there was no discussion by the parties with respect to consideration of tax years after 1985. In fact, the state made it very clear that tax rates, such as in House Bill 230, is the province of the Legislature and cannot be restricted.

I would be happy to discuss this matter further, should you have any additional questions.

Sincerely,

GRACE BERG SCHAIRLE
ACTING ATTORNEY GENERAL

By: 
Jeffrey W. Bush
Assistant Attorney General

JWB:lb

cc: The Hon. Fran Ulmer
Alaska State House

International Conference of Building Officials

Alaska Southeast Chapter

POSITION PAPER CSHB-230

Our membership supports this bill and all efforts to fund the Alaska State Fire Commission. While this Commission was established two years ago, it has not yet been funded.

The modest increase in insurance premium tax (.3%) could provide this funding and is an equitable approach to enhancing general fund revenues in Alaska.

We strongly support the work of the State Fire Marshall's Office in the fields of fire and arson prevention, safety, training and code enforcement.

It is time we commit our resources and talents to helping reduce the loss of life and property within the State from the ravages of fire.

We urge you to support this bill and help the dedicated members of the fire service to protect all our people.

Respectfully,



Stephen O. Shows
President

ALASKA STATE FIREFIGHTERS ASSOCIATION

P.O. Box 34324

Juneau, Alaska 99803-4324

February 25, 1988

The Honorable T. Kelly
15th Ak. State Legislature
P. O. Box V
Juneau, Alaska 99811

Dear Senator Kelly:

The Alaska Fire Service is seeking your help. Please pass CSHB-230. We believe the citizens of Alaska will realize a dramatic increase in fire safety.

The insurance companies pay a premium tax for doing business in this state. CSHB-230 asks for a portion (10%) of the total tax collected.

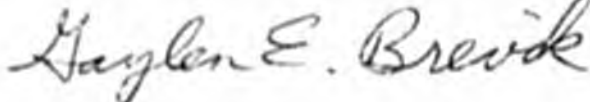
Twenty-one other states use similar methods of funding for their Fire Service; some since the late 1800s. Alaska has never utilized this resource.

Attached is a Fact Sheet on CSHB-230. If you have any questions or concerns, please contact me at 586-5745 or 789-7554 or Bill Shechter, President of the Alaska Fire Chiefs Association, 656 7th Avenue, Fairbanks, Ak. 99701. Mr. Shechter can be reached by phone at 452-1527.

The highest priority of the Fire Service is funding for the Fire Commission. The passage of this Bill will ensure that funding and will enhance fire safety for the public.

Respectfully,

ALASKA STATE FIREFIGHTERS ASSOC.



Gaylen E. Brevik
President

GEB:djo

attachment

c: Governor Steve Cowper

Lt. Gov. Stephen McAlphine

Caron Robinson, Special Assistant to the Governor

Representative Fran Ulmer

ALASKA STATE FIREFIGHTERS ASSOCIATION

P.O. Box 34324

Juneau, Alaska 99803-4324

FACT SHEET

CSHB-230

1. Will CSHB-230 dedicate funds?

No! The Bill's intent is to put the funds collected into the General Fund. The Department of Administration will account separately for 10% of the total amount collected. The Legislature has full control of where the money goes.

2. Why not ask for a special appropriation?

Last year the Governor asked for alternative methods of generating revenue. This is an excellent way to generate up to 2.5 million dollars per year. This is not a one time fee. It is long term planning.

3. Why should we increase the tax to the insurance companies?

The Bill really doesn't. Until January 1987, the insurance companies doing business in Alaska but based in other states paid 3%. That is when a reduction in tax became statutory at 2.7%. Over 90% of all insurance business done in this state is done by companies based outside the state.

4. How much will my insurance costs increase?

If your policy costs \$400 per year and the tax is 3% instead of 2.7%, the adjusted amount should be \$1.20.

5. What is the benefit to the insurance companies?

The insurance companies will pay less in claims because of increased efficiency in fire protection. Therefore, the money paid to the state is basically a user fee.

6. Have other states done this?

Yes! Twenty-one other states use money collected as a premium tax for their Fire Service. Funds are used for manpower, training, inspections, equipment, and even pension plans.

STATE OF ALASKA



REPRESENTATIVE
FRAN ULMER

HOUSE OF REPRESENTATIVES

P.O. Box V
JUNEAU, ALASKA 99811
(907) 465-4947

MEMORANDUM

May 12, 1987

TO: Senator Tim Kelly, Chair
Senate Labor and Commerce Committee

FROM: Representative Fran Ulmer

SUBJECT: HB 230

My primary purpose in introducing House Bill 230, "An Act relating to premium tax on certain insurers", was to create an alternative source of revenue for fire prevention and fire safety programs within our state. I am concerned about fire prevention in Alaska for the following reasons:

- **Alaska leads the Nation in deaths by fire. In 1985, there were 29 deaths. Of the 29 who died, 27 were in their homes.
- **Of these 29 deaths, 10 children under the age of 9 were among the victims.
- **Property losses in 1985 totalled almost \$40 million.
- **The U.S. Fire Administration has determined that your chances of dying in a fire in Alaska are greater than anywhere else in the United States.

I would very much appreciate your scheduling a hearing for HB 230 as soon as possible. Thank you.

ALASKA STATE FIREFIGHTERS ASSOCIATION

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

May 13, 1987

The Honorable Tim Kelly
Senator, 15th Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Sir:

The Alaska State Firefighters' Association supports House Bill 230 because of its value to the fire service as well as to the citizens of our state. The measure could provide a source of revenue to adequately fund the Division of Fire Prevention and the Fire Commission.

In the state of Alaska, most fire departments are volunteers. We are proud of the effectiveness of these individuals. However, an innerent problem exists. The normal length of time a volunteer firefighter stays with the fire service is two to three years. This means we have to constantly train and retrain. To be effective in saving lives, instructors have got to have good programs.

To qualify to operate the equipment and train to suppress fire effectively, we need this legislation to fund the Fire Prevention Division. The budget cuts in Fire Prevention have been far reaching and effect both direct and indirect programs throughout the state.

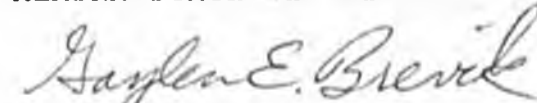
Arson is on the increase because of the economic times. Some of the direct programs the Fire Marshal will establish are a toll free arson hotline and arson prevention and enforcement programs. Other programs include public safety education, investigations, inspections, Code enforcement, and training for firefighters and fire officers all over the state. These services must be improved and enhanced. This can be done efficiently and effectively with this legislation.

The cost of fire prevention is still less than the cost to the state for a disastrous fire, in terms of firefighting efforts, lost taxes, and the impact on the economy. Last year, over \$26,806,324 was lost due to fire in our state. There were over 3,474 fires. Seventy one people were injured during fires and thirteen people died. Working together and providing the fire prevention programs, we can lower these statistics. Please pass this Bill.

Thank you.

Respectfully,

ALASKA STATE FIREFIGHTERS' ASSOC.



Gaylen E. Brevik
President

GEB:djo

STATE OF ALASKA
ROUTE SLIP

TO: Mail Station 3100	Department S. L&C	Division		
Attention Sen. Kelly				
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Approval <input type="checkbox"/> Signature <input type="checkbox"/> Comment <input type="checkbox"/> Contact Me <input type="checkbox"/> Prepare Reply <input type="checkbox"/> For Your File </td> <td style="width: 50%; vertical-align: top;"> <input type="checkbox"/> Note & Return <input type="checkbox"/> Initial & Return <input type="checkbox"/> Return as Requested <input type="checkbox"/> Return for Approval <input type="checkbox"/> Necessary Action <input type="checkbox"/> For Your Information </td> </tr> </table>			<input type="checkbox"/> Approval <input type="checkbox"/> Signature <input type="checkbox"/> Comment <input type="checkbox"/> Contact Me <input type="checkbox"/> Prepare Reply <input type="checkbox"/> For Your File	<input type="checkbox"/> Note & Return <input type="checkbox"/> Initial & Return <input type="checkbox"/> Return as Requested <input type="checkbox"/> Return for Approval <input type="checkbox"/> Necessary Action <input type="checkbox"/> For Your Information
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Remarks: Note: This is a revised fiscal note. Please destroy earlier version.				
FROM: Mail Station 0800	Department DFED	Division		
By L. Gled		Date 3/7		

NORTH POLE

Box
55109
N. Pole
Alaska
99705



Serving
You
907-488-2232

FIRE DEPARTMENT

10 March 1988

Senator Tim Kelly, Chairperson
Labor and Commerce Committee
PO Box V
Juneau, Ak. 99811

Dear Senator Kelly:

Having attended your recent committee hearing on CSHB 230 for a premium tax on certain insurers, I sensed an apparent misunderstanding or lack of understanding for the State's fire protection system. This is quite understandable and I commend you for your desire to become more educated to the matter by reviewing the Task Force Report on Fire Prevention and Control as well as other related legislation.

Please bear in mind during this educational review that what the fire service is after with CSHB 230 is a much bigger and broader solution to the fire problem than a single purchase or piece of legislation. Such quick cures are no longer effective for the most part. Neither is it appropriate to pass on to the State Fire Marshal the responsibilities of a Fire Commission. The two agencies are distinct from each other in design and purpose.

I commend you for your willingness to further address this critical issue. I also guarantee that the 200 years of dedicated public service by fire personnel will guide and guard the effectiveness of the Fire Commission for the betterment of Alaska's fire protection.

Respectfully,

Thomas W. Monk, Chief

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.

State	F&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	4.25	0.85 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	2.25	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	5.0 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 & Inspect:
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	2.35	0.50 GP	None	† 2.00 Fire Dept Dues
WY	2.50	0.75 Pr	None	

Insurance Premium Tax Rates by State

State	F&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	3.25 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	0.75 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 †	4.28 GP
WY	2.50 GP	0.75 Pr	None	None	2.50 GP

HB 230

1 IN THE SENATE

BY DUNCAN

2

SENATE BILL NO. 224

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 other
15 than wet marine and transportation insurance, after deducting from the
16 total direct premium income the applicable cancellations, returned
17 premiums, the unabsorbed portion of any deposit premium, all policy
18 dividends, unabsorbed premiums refunded to policyholders, refunds,
19 savings, savings coupons and other similar returns paid or credited to
20 policyholders with respect to their policies. No deductions may be
21 made of cash surrender value of policies. Considerations received on
22 annuity contracts are not included in the direct premium income and
23 are not subject to tax. The tax shall be paid to the director annual-
24 ly before April 1, and, except as provided in AS 21.69.390(c), is
25 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.



Official Business

Alaska State Legislature

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

SECTIONAL ANALYSIS - CSHB 230(Fin)

Section 1 - Raises the premium tax for domestic and foreign insurers from 2.7 to 3.0 percent. For most insurers, the 3 percent is a restoration of the tax rate in effect prior to the passage of SB 379 last year. The present exemptions for wet marine and transportation insurance and for hospital and medical service corporations continue.

Section 2 - Adds a new subsection relating to premium tax (AS 21.09.210). This section requires that 10 percent of the premium tax be deposited into a separate account. It also provides that the account may be used to fund the State Fire Commission and to fund fire prevention and training services.

Section 3 - Provides that title insurance is taxed as provided in AS 21.09.210(b).

Section 4 - Repealers.

Section 5 - Applicability section.

JK/HB 230

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

NO. 3

REQUEST: _____
 Revision Date: _____
 Title: Relating to the premium tax on certain insurers.
 Sponsor: Ulmer
 Requestor: _____

Bill Version: CSHB 230(Fin)
 Publish Date: HOUSE 5/9/87
 Agency Affected: Commerce & Econ. Dev.
 BRU: Insurance
 Components: Public Protection

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						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE	0.0	1,448.6	2,897.2	2,900.0	2,900.0	2,900.0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

The insurance premium tax rate changes from 2.7% to 3.0% with this bill. Title insurance changes from 1% to 3%. Due to condition of economy and the expectation that premiums are starting to stabilize, we project an even level of added revenue resulting from this proposal.

Prepared by: John I. George, Director
 Division: Division of Insurance

Phone: 465-2515
 Date: April 24, 1987

Approved by Commissioner: Anthony Smith, Commissioner
 Agency: Commerce and Economic Development

Date: April 24, 1987

Distribution (by preparer):

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

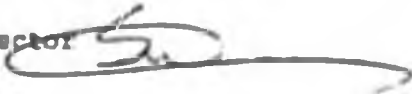
RECEIVED
 APR 27 1987

Alaska MUNICIPAL League

TELEPHONE
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301
FAIRBANKS, ALASKA 99701

TO: Senator Tim Kelly, Chair
Members of the Senate Labor and Commerce Committee

FROM: Scott A. Burgess, Executive Director 

DATE: March 7, 1988

SUBJECT: HB 230 - Premium tax on certain insurers

The Alaska Municipal League, on behalf of its 135 municipal members, supports the concept outlined in HB 230. At its last annual meeting in November 1987, the membership of the AML passed Resolution No. 88-21 supporting the concept of using funds generated from a small increase in the insurance premium tax to support fire prevention and training services through the Division of Fire Prevention in the Department of Public Safety. I have enclosed a copy of Resolution No. 88-21.

Again, the AML supports HB 230.

RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE

RESOLUTION NO. 88-21

**A RESOLUTION SUPPORTING THE FIRE PREVENTION/TRAINING
EFFORTS OF THE DEPARTMENT OF PUBLIC SAFETY,
DIVISION OF FIRE PREVENTION, THROUGH
ENACTMENT OF LEGISLATION AND ITS ASSOCIATED
ADJUSTMENT OF THE INSURANCE FRANCHISE TAX.**

WHEREAS, the vital life safety programs provided by the Office of the State Fire Marshal were severely impacted by their disproportionate 27% reduction in available funds in 1987, and

WHEREAS, the inspection, public fire education, training, and investigation services have always been supported by the Alaska Municipal League through its Policy Statement and must be continued in order to reduce the tragic loss of life and property throughout all areas of Alaska, and

WHEREAS, practically every insurance company is located outside Alaska, resulting in dollars being unavailable for these vital life safety programs, and

WHEREAS, 26 states already utilize an insurance franchise tax in excess of 2.7% (average 3%) to support statewide fire prevention efforts, and

WHEREAS, the benefits of this tax will provide increased defense to potential multi-million dollar wrongful death suits by impacting the minimal level of fire operations and training for every fire department and its local government, and

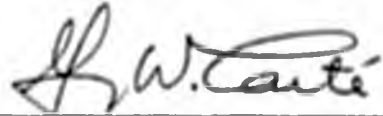
WHEREAS, the proposed slight increase in the franchise tax meets the Governor's guidelines of not affecting general fund support, and

WHEREAS, the proposed franchise tax increase restores this tax to its pre-1986 level of 3% (from 2.7%);

NOW, THEREFORE, BE IT RESOLVED that the Alaska Municipal League strongly supports passage of legislation in the Alaska Legislature adjusting the insurance franchise tax, with the intent


of using generated funds to support the efforts of the Division of Fire Prevention, Department of Public Safety.

Adopted this 13th day of November 1987.



George W. Carte, President

ATTEST:


Scott A. Burgess, Executive Director

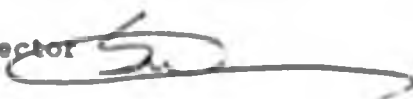
Resolution No. 88-21

Alaska
MUNICIPAL
League

TELEPHONE
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301
EUREKA, ALASKA 99801

TO: Senator Tim Kelly, Chair
Members of the Senate Labor and Commerce Committee

FROM: Scott A. Burgess, Executive Director 

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RESOLUTION NO. 88-21

A RESOLUTION SUPPORTING THE FIRE PREVENTION/TRAINING
EFFORTS OF THE DEPARTMENT OF PUBLIC SAFETY,
DIVISION OF FIRE PREVENTION, THROUGH
ENACTMENT OF LEGISLATION AND ITS ASSOCIATED
ADJUSTMENT OF THE INSURANCE FRANCHISE TAX.

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WHEREAS, 26 states already utilize an insurance franchise tax in excess of 2.7% (average 3%) to support statewide fire prevention efforts, and

WHEREAS, the benefits of this tax will provide increased defense to potential multi-million dollar wrongful death suits by impacting the minimal level of fire operations and training for every fire department and its local government, and

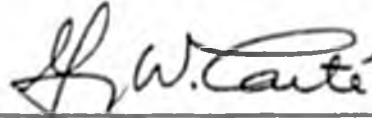
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Adopted this 13th day of November 1987.



George W. Carte, President

ATTEST:


Scott A. Burgess, Executive Director

Resolution No. 88-21

THE FOLLOWING DOCUMENT HAS
NOT BEEN FILMED BUT IS
AVAILABLE IN THE ORIGINAL
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