

SB

224



# Alaska State Legislature

SENATOR JIM DUNCAN

P. O. Box V JUNEAU, ALASKA 99811


(907) 465-4766

COMMITTEES:  
FINANCE  
RESOURCES  
BUDGET AND AUDIT

## MEMORANDUM

April 8, 1987

TO: Senator Tim Kelly, Chairman  
Senate Labor & Commerce Committee

FROM: Senator  Duncan

SUBJECT: Hearing SB 224

Senate Bill 224, An Act Relating to Insurance Premium Tax and Fire Protection has been assigned to your committee as its first committee of referral. I would like to request that you schedule this legislation for a hearing before your committee at the earliest convenience.

I have attached some backup material for your review.

ALASKA STATE FIREFIGHTERS ASSOCIATION

P.O. Box 34324  
Juneau, Alaska 99803

March 30, 1987

The Honorable Jim Duncan  
State Senator  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Senator Duncan:

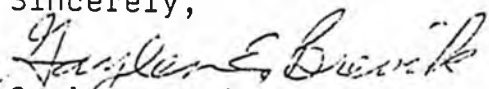
Per my conversation today with your assistant, please find enclosed copies of pertinent information from the 1985 Annual Report from the Department of Public Safety, Division of Fire Prevention. Also enclosed is information from the 1987 Budget Unit Summary from the Department of Public Safety.

This information may be useful to you as you submit the Senate version of HB 230.

Also enclosed is a copy of the letter that was submitted to Representative Ulmer that may be useful to you.

If there is anything else I can do for you, please feel free to call me at 789-7554 or 789-3429. Thank you for your support, Senator.

Sincerely,

  
Gaylen Brevik, President  
Alaska State Firefighters Association

Enclosures

**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  
President

GMB: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		2,233,133
Educational	32				1,730,805
Institutional	21				27,105
Residential	1,260	23	51	27	14,381,553
Store/Office	138	7			5,253,545
Bus. Industry/ Utilities	53	1			3,021,334
Manufacturing	30				2,907,195
Storage	144	2	1		1,010,193
Special	1,729	3	66	2	1,358,353
<b>TOTAL</b>	<b>3,475</b>	<b>37</b>	<b>70</b>	<b>29</b>	<b>33,011,190</b>

*copied from the 1985 annual report of the  
Division of Fire Protection*

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	55.9	54.2
Civilian Injuries	84	52	70	53	70
Firefighter Injuries	46	23	42	36	37
Number of Fires	3,119	3,109	3,214	3,580	3,475
Total Calls	7,777	10,527	14,035	14,375	14,313
\$ Losses (in millions)	\$40.6	\$42.6	\$72.3	\$34.5	\$38.3
\$ Loss per capita	\$93.29	\$92.44	\$145.93	\$55.75	\$72.55

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 2. 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.

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	0	
	16 PPT	14 PPT	
	1 PPT		

Regional Offices

Anchorage      1 LFM 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 \$16.1 into the grant line item

PLAN REVIEW RECEIPTS

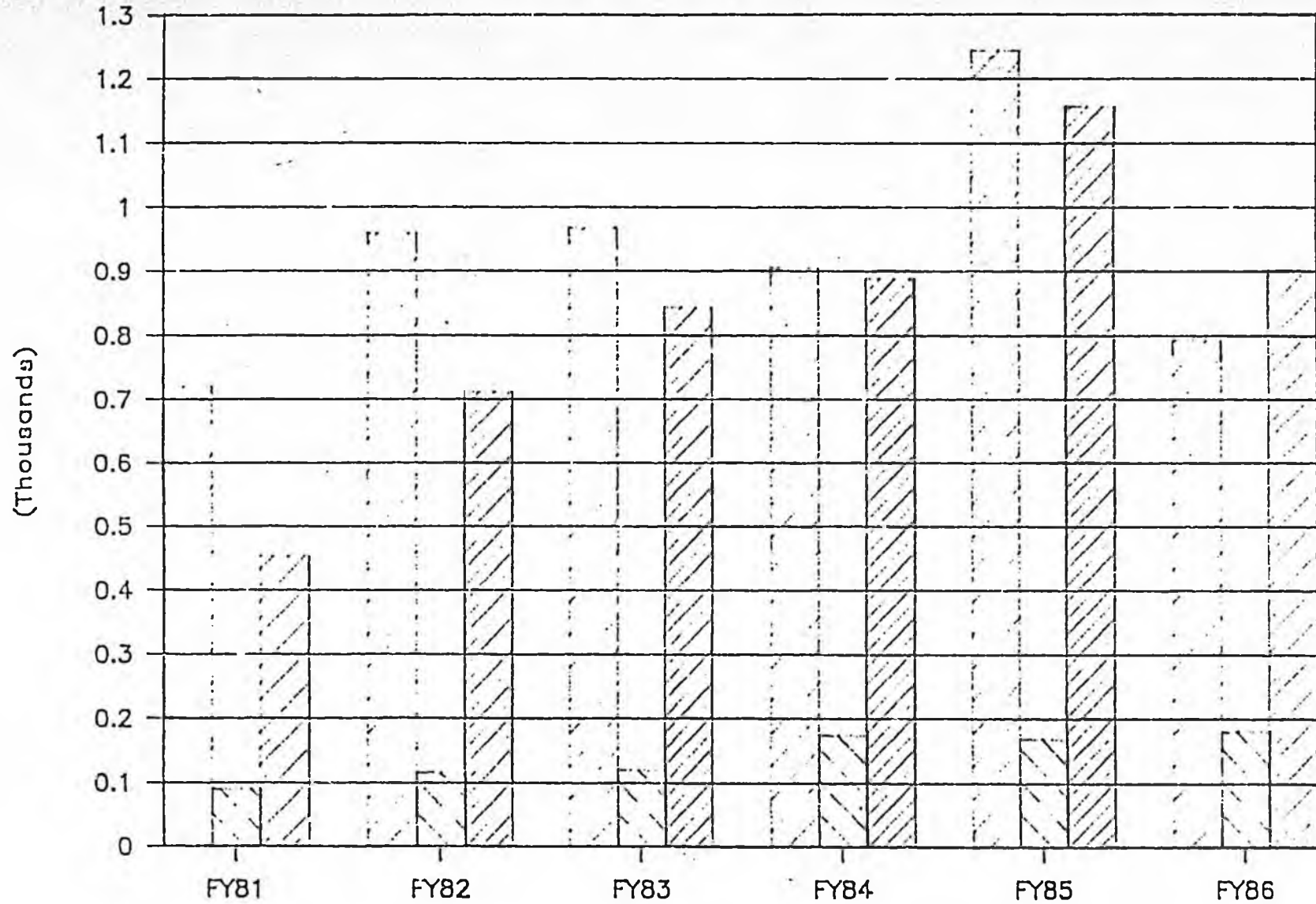
	FY86	FY87	Percentage
July	65,324.07	55,088.41	- 16%
August	21,616.40	29,705.65	+ 37%
September	34,985.50	10,993.62	- 69%
October	27,307.42	22,777.12	- 17%
November	33,271.00	6,644.20	- 80%
December	47,016.18	11,642.80	- 75%
January	20,989.79	9,225.88	-, 56%
<b>TOTAL:</b>	<b>250,510.36</b>	<b>146,077.68</b>	<b>- 42%</b>
 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

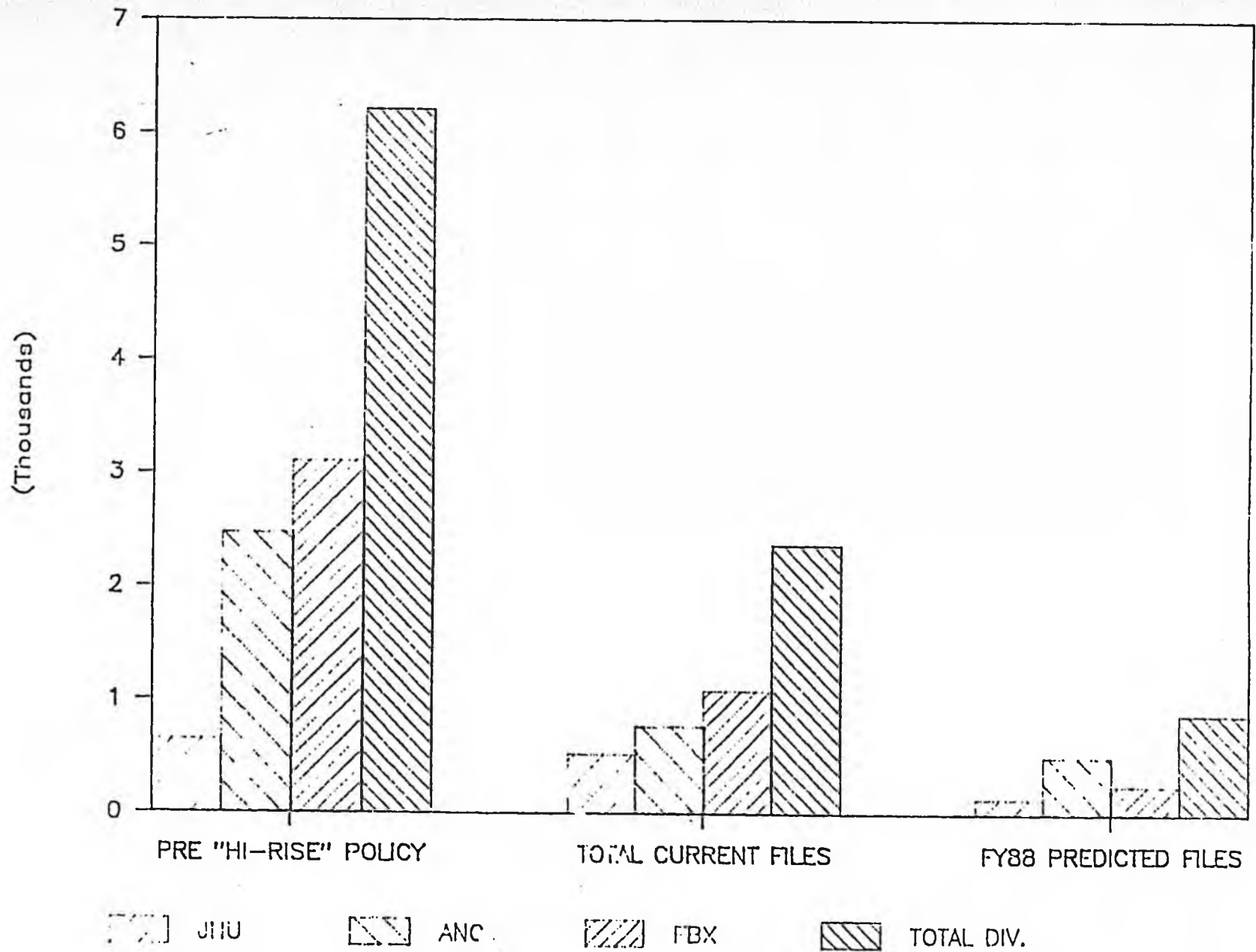


INSPECT

INVESTIGATE

PLAN 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:

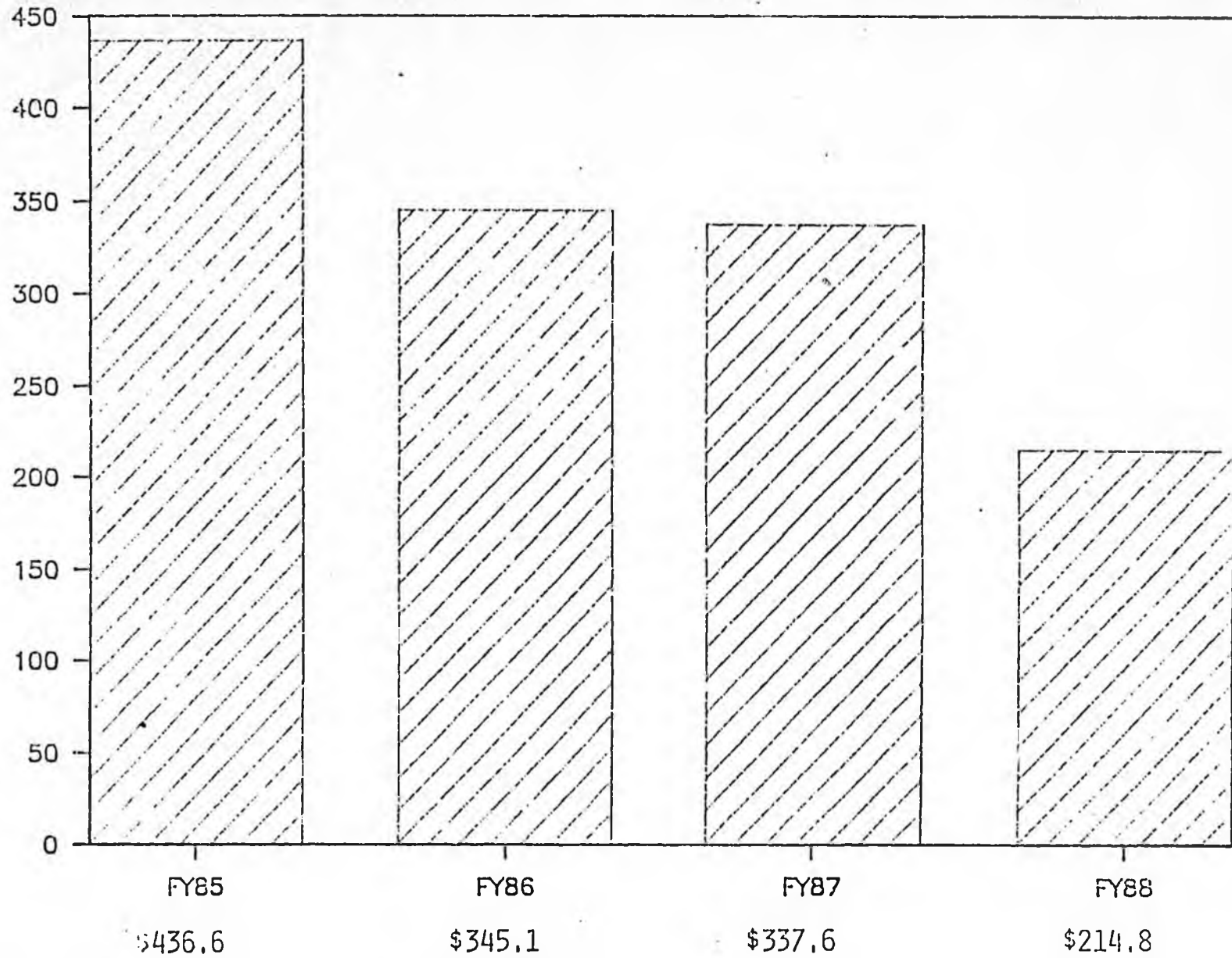
- \* VPSO firefighter level training - 2 two-week courses
- \* Maintenance of an audio visual lending library
- \* Purchase of updated programs for lending library
- \* Four outreach programs in conjunction with the National Fire Academy
- \* One Train-the-Trainer program in Hazardous Materials
- \*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

(Summary Narrative FY88 Budget, FST, cont.)

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

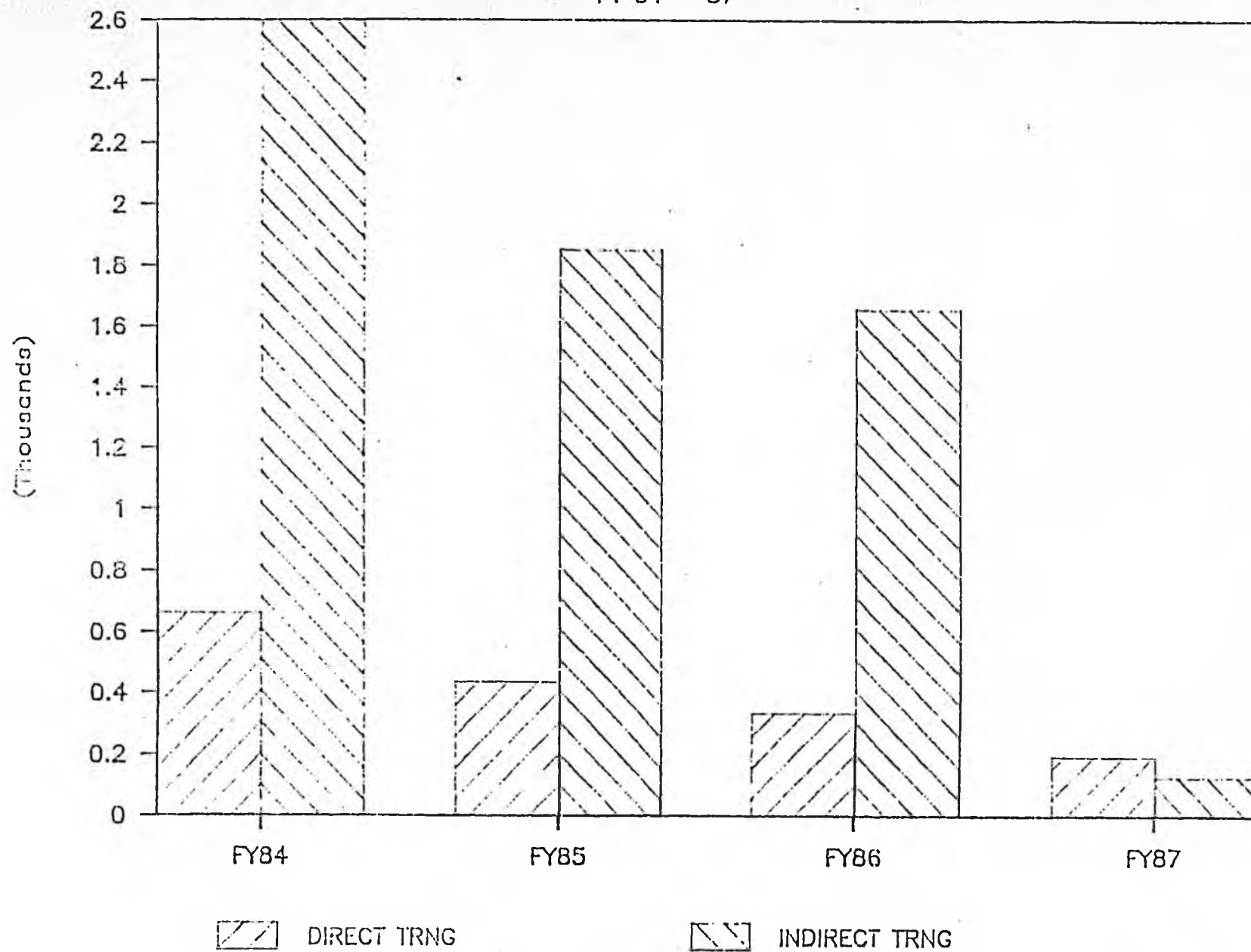
- \* Instructor testing and certification
- \* Firefighter testing and certification
- \* Evaluation of local training programs for accreditation purposes
- \* Completion of Hazardous Materials certification program and curriculum development
- \* Completion of Firefighter II certification program and 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 Int'l Airport
Fort Greely	Steesse
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
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### North Slope - 2 fire departments

Conoco	ARCO
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## 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 Greely	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

AMENDMENT

OFFERED IN THE SENATE

TO: SENATE BILL NO. 224 (Labor and Commerce)

Page 2, Section 2 is amended to read as follows:

"\*Section 2. AS 21.09.210(c) is amended to read:

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

A M E N D M E N T

Offered in the SENATE

By Duncan

TO: SB 224

Page 2, line 2:

Delete "July"

Insert "January"

A M E N D M E N T

Offered in the SENATE

By Duncan

TO: SB 224

Page 2, line 11, after "prevention":

Insert "and training"

AMENDMENT

OFFERED IN THE SENATE

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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 uthorized 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.

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

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

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

(j) The tax paid to the director under (b) of this section shall be deposited in the general fund. The Department of Administration shall separately account for 10 percent of the tax collected under (b)(1) of this section and deposited in the general fund. The annual estimated balance in the account may be used by the legislature to fund the State Fire Commission (AS 44.41) and other fire prevention services.

\* Sec. 4. This Act applies to the tax due by April 1, 1988, for the tax year beginning January 1, 1987, and to the tax due for subsequent years.

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July 1, 1987  
or JAN 1, 1988

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88 to 89  
87 to 88

BILL NO: . . .

DATE:

TITLE: SB 224

CONTACT: April 15, 1987

An act relating to the premium tax on certain insurers.

Gordon Brunton

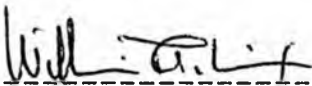
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This measure increases the insurance premium tax on certain insurers from 2.7 to 3.0 percent, provides for separate accounting of 10 percent of the tax collected which may be appropriated to fund the State Fire Commission (AS 44.41) and other fire 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 SB 224.

  
 \_\_\_\_\_  
 William R. Nix  
 Acting Commissioner

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

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

Bill Version: SB 224  
Publish Date: \_\_\_\_\_

Revision Date: \_\_\_\_\_  
Title: An act relating to the premium tax on certain insurers.

Agency Affected: Public Safety  
BRU: Fire Prevention

Sponsor: Senator Duncan  
Requestor: Senate Labor & Commerce

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 increment to utilize this revenue source.

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

Approved by Commissioner: *[Signature]* 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

*JML*  
*4/14/87*

Senate Bill 224

The Division of Fire Prevention would fund the following on a priority basis should the Legislature appropriate monies generated by SB 224:

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	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. 81
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 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 38 Total
2,596.7	Total Budget.



**City of  
Ketchikan**  
Fire Protection Services

334 Front Street  
Ketchikan, Alaska 99901  
907-225-3111

April 13, 1987

Senator Tim Kelley  
Labor & Commerce Committee  
P.O. Box V  
Juneau, Alaska 99811

Dear Senator Kelley:

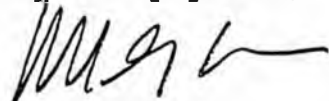
SB 224 and HB230 have been introduced to restore the franchise tax on fire insurance premiums from the present level of 2.7% to the pre-1987 level of 3%.

While the monies raised by this tax cannot be dedicated to the fire protection services furnished by the State because of the constitution, it can be reserved for that use and can fund the State Fire Marshal's Office, Fire Service Training, and the State Fire Commission.

As you know, the State Fire Commission was created last session but has not been funded because of the revenue crisis.

Please support the above bill! Fire insurance premium taxes are commonly used for such purposes in other states and is a "new source" of money for fire protection services that are essential to the safety of Alaska's people.

Very truly yours,



M.G. Fisher, Director  
Fire Protection Services

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.