

759

SCRA

SB 370

-

SB 389

759

percent of the assessed value of a structure is exempt from taxation if the structure contains fire protection systems in operating condition incorporated as a fixture or part of the structure. The exemption is limited to 1) an amount equal to two percent of the value of the structure based on the assessment for 1981, if fire protection systems are a fixture of the real property on January 1, 1981; or an amount equal to two percent of the value of the structure as of January 1 following the installation of the fire protection systems as fixtures of the structure after January 1, 1981.

Introduced January 31 and referred to Community & Regional Affairs.

Sr. Citizens
Tax Exemp.
(surviving
spouse)

SENATE BILL NO. 427, by Senators Ferguson, Ray, Sackett, Meland, Colletta, Sumner, Kerttula, Hohman, Mulcahy and Bradley. Amends AS 29.53.020(e) relating to municipal property tax exemption for senior citizens by adding: "The real property exempt from taxation under this subsection continues to be exempt if owned and occupied as a permanent place of abode by the surviving spouse of the resident, if the surviving spouse is 55 years or older and has a gross annual income of less than \$20,000." Does not provide for effective date.

Introduced February 12 and referred to Community and Regional Affairs, then to Finance.

Property Tax
Exemptions
(for energy

SENATE BILL NO. 431, by the Rules Committee by request of the Legislative Council by request. Adds new section to AS 29.53 (Municipal Assessment & Taxation) which exempts from municipal property tax "The value of an alternation or improvement of an existing structure that reduces energy consumption in the structure." Section applies to mobile homes also. Provides Act effective January 1, 1981.

Introduced February 12 and referred to Community and Regional Affairs, then to Finance.

Municipal Pro-
perty Taxes
(exemp. sr.
citizens--
personal
property)

SENATE BILL NO. 456, by Senators Stimson and Bradley. Amends Municipal Assessment and Taxation (AS 29.53), required exemptions (020) by stating that the property of certain residents of the state is exempt and further states that "(e) The real property owned and occupied as a permanent place of abode by a resident 65 years of age or over, and the personal property owned by a resident 65 years of age or over, is exempt from taxation of the assessed value of the (REAL) property." Deletes reference to "real" property throughout and repeals AS 29.53.020(i) which defines "real property" as property including, but not limited to mobile homes whether classified as real or personal property for municipal tax purposes. Provides Act takes effect January 1, 1981.

Introduced February 18 and referred to Community & Regional Affairs, then to Finance.

Property Tax
(residential-
partial exem.
from assess)

SENATE BILL NO. 465, by Senators Ferguson, Colletta, Fahrenkamp and Sumner. Exempts from general taxation (Municipal Assessment and Taxation, required exemptions--AS 29.53.020(a)) "(7) the real property owned and occupied as a permanent place of abode by a resident, not exceeding \$85,000 in value." Exempts real property owned and occupied by a resident 65 years of age or over from

taxation of the assessed value of property which exceeds \$85,000 in value. Repeals AS 29.53.025(a) (Municipal Assessment and Taxation. Optional Exemptions and exclusions. Section (a) states: "Municipalities may exclude or exempt or partially exempt residential property from taxation by ordinance ratified by the voters at a regular or special election."), and amends AS 29.53.020(g) (relating to reimbursement of borough or city for revenue lost by exemption) by deletion of language stating that upon proper application an individual would have been granted an exemption. Provides Act takes effect January 1, 1981.

Introduced February 18 and referred to Community and Regional Affairs, then to Finance.

Municipal Pro-
perty Tax
(exempting
business
inventory)

SENATE BILL NO. 510, by the Rules Committee by Request (for the Interim Tax Policy Committee). Exempts business inventory from municipal property tax levy and provides for reimbursement to municipalities of tax revenues lost by operation of the exemption. Reimbursement made on the basis of the application of the tax rate of the borough or city to the value of business inventory reported to the state by businesses for the purpose of taxation under the Alaska Net Income Tax Act, and subject to legislative appropriation to the Department of Community and Regional Affairs for the purpose. State Departments may adopt regulations to carry out the provisions of chapter. Repeals sections of Municipal Assessment and Taxation (AS 29.53) relating to assessment of business inventory and reassessment in the case of cessation of business during the tax year. Provides Act takes effect January 1, 1980.

Introduced March 5 and referred to Community and Regional Affairs, then to Finance.

Alaska State Legislature



SENATOR MIKE COLLETTA

SENATE MAJORITY LEADER

Senate

MEMORANDUM

February 19, 1980

TO: Senator Arnis Sturgulewski
Chairman
Community & Regional Affairs Committee

FROM: Senator Mike Colletta *Mike Colletta*

RE: Senate Bill 370 "Fire Prevention"

Enclosed for your review, please find information regarding Senate Bill 371, "An Act relating to fire prevention", which I understand you may hear in committee early next week.

I would appreciate your notifying Mr. Bob Shirnberg, Fire Marshal of the Nikiski Fire Department, when you have a firm date to hear this bill. I believe he will be in Juneau this week to testify before the House Community & Regional Affairs Committee when they hear the House version of this bill (House Bill 648).

ENCLOSURES

ROBERT R. SHIRNBERG
FIRE MARSHAL

NIKISKI FIRE DEPARTMENT
Phone 283-4202

P. O. Box 1167 - Kenai, Alaska 99611

also Gordon Brunton
State Fire Marshall's office
465-4331

(907) 274-6644

Brian R. Shute
Attorney at Law

Suite 208
1026 W. 4th Avenue
Anchorage, Alaska 99501

RECOMMENDATIONS
FROM THE
ALASKA FIRE CHIEF'S ASSOCIATION
ALASKA STATE FIREFIGHTER ASSOCIATION
FOR
ADOPTION OF THE
COMMUNITY FIRE PROTECTION INCENTIVE PROGRAM

*Get bill drafted
change loan para.*

Material Prepared By:
Robert R. Shirnberg
Fire Marshal
Nikiski Fire Dept.
Chairman Ad-Hoc Committee
ASFA/AFCA
December-2-1979

The Alaska State Firefighters Association and the Alaska Fire Chief's Association, at their respective annual meetings in October of 1979 in Petersburg, Alaska, were presented a program entitled, "Community Fire Protection Incentive Program".

Both the Alaska State Firefighters Association and the Alaska Fire Chief's Association submitted to their respective memberships a resolution calling for support in the preparation of program material to enact the Community Fire Protection Incentive Program during the 1980 session of the Alaska State Legislature. Both bodies passed unanimously this resolution.

A joint AD-HOC committee was formed, comprised of members of the ASFA and the AFCA to prepare the necessary material and to carry out the legislative program presentation.

The State of Alaska has the honor of being Number #1 in many categories. We are by far the largest state in the Union. Our fisheries and resources from the sea are Number #1 in value. Our resources on oil and gas production are approaching Number #1. Our mineral potential is the greatest of all states.

Our state also has the dubious honor of being Number #1 by some margin in the loss of life per capita by fire and the property dollar loss per capita. It appears that the growth of our state is assured with projections of ship building facilities, processing and support facilities for a bottom fishing industry, oil and gas production with related petrochemical industrial plants, mineral development, etc. With the population and constructions that will come with this growth and with our present methods of providing fire protection, we will retain the dubious honor of being Number #1 in per capita loss of life and property damage as a result of fire.

We in the fire service recognize that a new approach in providing for both public and private fire protection needs must be developed. We recognize that the Community Fire Protection Incentive Program does offer the method to redirect fire protection systems and combine the best features of both public and private fire protection in a manner that will improve and better the community against the ravages of fire. It provides a method whereby the costs for public fire protection can be controlled as the community expands and grows.

The Community Fire Protection Incentive Program provides a method whereby the private property owner and businessman will have the incentive and support necessary to provide for the installation of private fire protection systems in their property. This incentive is created through a three-part program as follows:

~~Permanent Revolving Loan Fund~~

*Include in
Small Business Loans Program*

~~This loan fund will provide loans to private property owners and businessmen at an interest rate and such terms that will create an incentive to install private fire protection systems such as hydraulic sprinkler systems.~~

~~The terms of the loan will be such that the direct insurance saving received for the installation of the sprinkler system will be calculated in the repayment schedule. It is the intent that the property owner will realize a real dollar return on the installation of the sprinkler system. An example would be~~

~~that if the net insurance saving was \$6,000 annually, the loan terms would require a \$4,000 annual payment, resulting in a net return to the property owner of \$2,000 annually until the loan has been paid off, at which time the property owner would receive the entire \$6,000 benefit.~~

Tax Incentive

Remove from the property tax rolls the assessed value of the private fire protection system. There is no question of the roll that the private fire protection has in supporting the public fire protection system. It is taken into consideration in the I.S.O. rating schedule, it has a decided effect on reducing the overall insurance rating of a community's fire defenses. It protects the community's tax base. It protects the jobs and the economy of the community.

With our present policy of taxing private fire protection systems, we discourage the property owners from installing such voluntary systems.

Again, the private property owner and business man will be encouraged to install private fire protection systems if we remove the tax burden that is placed on such systems.

Water Standby Surcharge for Sprinkler Connections

Some water utilities have placed an excessive standby water rate to property owners that have installed hydraulic sprinkler systems in their property. In many cases these special rates have eliminated or exceeded any dollar saving the property owner may have enjoyed because he has installed a sprinkler system.

In some cases the owners of property equipped with sprinkler systems have shut the sprinkler system down and discontinued its use and accepted the higher insurance rate because there was a dollar saving between the water standby rate and the increased insurance premiums.

As can be seen, the excessive water rate charge is a direct attack on the incentive to install private fire protection systems.

Therefore, it is necessary that special water rates for properties equipped with sprinkler systems be reduced to a very nominal fee or eliminated altogether.

This program intent is to provide for the property owners and businesses the incentive and assistance to install fire protection systems. The program is to be made available to property owners in all areas of the state of Alaska, from the larger municipalities to the smaller communities and very rural areas. To those communities with full-time paid fire departments to those with volunteer fire departments, and also those areas without any fire protection at all. The program makes assistance available to areas that are isolated, such as remote cannery locations, and a method to provide for fire protection of such facilities.

With such a program in effect and within a few short years, we will see a decided reduction in our property fire loss and loss of life from fire. We will realize a direct saving in the cost of our public fire protection systems. We will be able to better meet the fire protection needs of our expanding and growing communities, and be able to control the costs of this expansion.

Fewer jobs will be lost through catastrophic fires, the economy better protected, the tax base of the community better assured, and those public programs that are supported by the tax base better protected.

Alaska State Legislature



SENATOR
BRAD BRADLEY
P.O. DRAWER B-Q
ANCHORAGE, ALASKA 99508
(PERMANENT ADDRESS)
PHONE: 337-1080

LEGISLATURE ADDRESS
POUCH V - STATE CAPITOL
JUNEAU, ALASKA 99811
(WHILE IN SESSION)
PHONE: 465-3748

COMMITTEES
CHAIRMAN
MAJORITY CAUCUS
COMMERCE
VICE CHAIRMAN
STATE AFFAIRS
MEMBER
LABOR AND MANAGEMENT
BUDGET AND AUDIT

Senate

March 18, 1980

The Honorable Arliss Sturgulewski
Chairman, Senate Community & Regional Affairs Committee
Assembly Building
Juneau, Alaska 99801

RE: SB 370

Dear Senator Sturgulewski:

Attached for your reference regarding the above bill is a letter from Brian R. Shute, Attorney at Law, of Anchorage, Alaska, and the original photographs referenced in Mr. Shute's letter.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Brad Bradley".

Brad Bradley
State Senator

BB:jss
Enclosures: As Above

Alaska State Legislature

SENATOR

ROBERT H. ZIEGLER, SR.
307 BAWDEN STREET
KETCHIKAN, ALASKA 99901

POUCH V
JUNEAU, ALASKA 99811



Senate

CHAIRMAN

SENATE JUDICIARY COMMITTEE
IMMEDIATE PAST CHAIRMAN
WESTERN CONFERENCE - COUNCIL OF
STATE GOVERNMENTS

VICE CHAIRMAN

SENATE RULES COMMITTEE

MEMBER

SENATE STATE AFFAIRS COMMITTEE
SENATE COMMITTEE ON COMMITTEES
LEGISLATIVE COUNCIL
WESTERN STATES LEGISLATIVE
FORESTRY TASK FORCE

March 3, 1980

Mr. John A. Divelbiss,
Director
City of Ketchikan
Department of Fire Protection Services
319 Main Street
Ketchikan, Alaska 99901

Dear Mr. Divelbiss:

- I already advised you that I would vote for SB 370 if it ever gets to the floor of the Senate. You might write to Senator Arliss Sturgulewski who chairs the Community and Regional Affairs Committee where SB 370 currently reposes.

Regards,

BZ —

Robert H. Ziegler, Sr.

RHZ:lk

cc: Senator Sturgulewski.

Alaska State Legislature

A - your copy
SB 370

SENATOR
ROBERT H. ZIEGLER, SR.
307 BAWDEN STREET
KETCHIKAN, ALASKA 99901

POUCH V
JUNEAU, ALASKA 99811



Senate

CHAIRMAN
SENATE JUDICIARY COMMITTEE
IMMEDIATE PAST CHAIRMAN
WESTERN CONFERENCE - COUNCIL OF
STATE GOVERNMENTS

VICE CHAIRMAN
SENATE RULES COMMITTEE

MEMBER
SENATE STATE AFFAIRS COMMITTEE
SENATE COMMITTEE ON COMMITTEES
LEGISLATIVE COUNCIL
WESTERN STATES LEGISLATIVE
FORESTRY TASK FORCE

February 19, 1980

Mr. John Divelbiss, Director
City of Ketchikan
Department of Fire Protection
Services
319 Main
Ketchikan, Alaska 99901

Dear John:

I don't find any particular fault with SB 370, which is currently in Senator Arliss Sturgulewski's Community and Regional Affairs Committee. Undoubtedly, I'll vote for it when and if it appears before me, but I think there is a caveat: If the assessor cannot include the value of a fire protection system in the assessment for the full and true value of a building, why shouldn't the same exception apply to people who construct extra water tanks on their property or below the structure? What about an exemption for people who buy fire resistant roofing materials? How about people who spray structures with fire retardant chemicals? Likewise with fire retardant insulation?

I could go on and on, but I'm sure you get the idea.

Regards,

BZ3

Robert H. Ziegler, Sr.

RHZ:lk

cc: Mr. James A. VanAltvorst,
City Manager, Ketchikan

Senator Arliss Sturgulewski



CITY OF KETCHIKAN

334 FRONT STREET

P. O. BOX 7300

TELEPHONE 907 225-3111

SD
full page
FEB 26 1980

February 22, 1980

Senator Mike Colletta
Pouch V
Juneau, Alaska 99811

Dear Senator Colletta:

On behalf of the City of Ketchikan, I wish to add support to passage of Senate Bill 370, an act relating to fire prevention.

Approved automatic fire protection systems are obviously and definitely advantageous to the building in which they are installed. However, the benefits of those systems go far beyond the individual structures. They also benefit the entire community.

Essentially, installation of such systems decreases a community's "fire flow requirement" which is the community's ability to deliver water to control fires. A decrease in the "fire flow requirement", in effect, reduces the need for fire fighting equipment, facilities to house that equipment and staff to operate and maintain that equipment and facilities without reducing the level of fire protection in the community. Therefore, the entire community can benefit because of a reduction in the cost necessary to provide a given level of fire protection.

Because the entire community can benefit from the installation of approved fire protection systems in individual building, building owners should be given an incentive to install such systems rather than suffer additional fees or taxes because they installed those systems. Therefore, the City of Ketchikan supports Senate Bill 370.

If you have questions about the City's position on this issue, please contact me.

Sincerely,


James A. Van Altvorst
City Manager

JAVA:gw



CITY OF KETCHIKAN

334 FRONT STREET

P. O. BOX 7300

TELEPHONE 907 225-3111

February 22, 1980

Senator Brad Bradley
Pouch V
Juneau, Alaska

Dear Senator Bradley:

On behalf of the City of Ketchikan, I wish to add support to passage of Senate Bill 370, an act relating to fire protection.

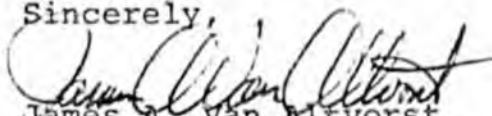
Approved automatic fire protection systems are obviously and definitely advantageous to the building in which they are installed. However, the benefits of those systems go far beyond the individual structures. They also benefit the entire community.

Essentially, installation of such systems decreases a community's "fire flow requirement" which is the community's ability to deliver water to control fires. A decrease in the "fire flow requirement", in effect, reduces the need for fire fighting equipment, facilities to house that equipment and staff to operate and maintain that equipment and facilities without reducing the level of fire protection in the community. Therefore, the entire community can benefit because of a reduction in the cost necessary to provide a given level of fire protection.

Because the entire community can benefit from the installation of approved fire protection systems in individual building, building owners should be given an incentive to install such systems rather than suffer additional fees or taxes because they installed those systems. Therefore, the City of Ketchikan supports Senate Bill 370.

If you have questions about the City's position on this issue, please contact me.

Sincerely,


James A. Van Altvorst
City Manager

JAVA:gw

However, the presence of automatic sprinkler systems in buildings reduces the anticipated fire flow requirements by 25 - 50% (see ISO "Guide to Determination of Required Fire Flow"). Therefore, if a sprinkler system is installed less fire hydrants are required; e.g. every three hundred (300) feet instead of every two hundred (200) feet.

Since Fairbanks residents pay hydrant fees by general taxation rather than specific proximity charges or individual fire service demand fees, the owners of low service demand properties end up paying equivalent proportionate fees to owners of large demand properties.

The presence of sprinkler systems reduces the needed number of fire hydrants, and also therefore the necessary size of water mains can also be reduced.

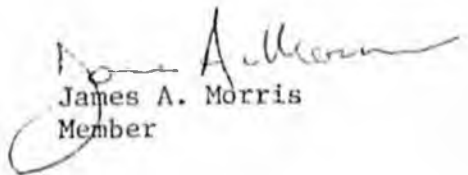
The College Utilities Water System is a private utility providing water to an area of about 5,000 population to the west of the City limits of Fairbanks. Their method of assessing for sprinkler fees and hydrant charges is

- a. \$2.26 per month if located within 1,000 feet of fire hydrants,
- b. Unmetered sprinkler service fees
 1. \$39.50/mo. for 2"
 2. \$84.00/mo. for 3"
 3. \$142.00/mo. for 4"
 4. \$225.00/mo. for 6"
 5. \$394.00/mo. for 8"

The City of North Pole has a fee schedule for sprinkler services very much like that of the City of Fairbanks.

If any bills are drawn up and introduced concerning any Community Fire Protection Incentive Programs, please forward me a copy. Thank you.

Sincerely,


James A. Morris
Member

JAM:jcs

Attachments

ORDINANCE NO. 3749, As Amended

AN ORDINANCE TO AMEND FGC CHAPTER 12. UTILITIES,
SECTION 12.117, WATER UTILITY RATES AND CHARGES;
COMPULSORY CONNECTION TO WATER SYSTEM, AND SETTING
AN EFFECTIVE DATE.

BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS,
ALASKA, as follows:

Section 1. That FGC Chapter 12, Utilities, Section 12.117,
Schedule W-1, Metered Water Service be amended as follows:

(2) Monthly Rates:

Flat metered water rate per 1,000 gallons \$ 2.25 [~~\$2.00~~]

(3) Minimum monthly charge for metered service, based on 2,500 gallons, \$ 5.70 [~~\$5.00~~]

Section 2. That FGC Section 12.117 Schedule W-2, Other Water
Service be amended as follows:

(2) Monthly Flat Rates:

Single faucet or outlet (3/4") \$ 8.90 [~~\$ 7.90~~]

Full service of not more than 1 bath,
1 lavacory, 1 toilet and 4 additional
faucets or outlets. \$19.80 [~~\$17.60~~]

Additional cold water faucets or outlets
over full service per faucet or outlet. . . \$ 1.80 [~~\$ 1.60~~]

(3) Minimum Monthly Charge for Above Services . \$11.25 [~~\$10.00~~]

(4) Unmetered Water Sprinkler and Fire Hose Service. Water
provided herein covers unmetered water deliveries to
fight fires. Usage of water for other than fire fighting
purposes may terminate the service and/or result in
penalties of not less than five (5) months flat rate
charge. Water sprinkler systems or fire hose systems
connected to metered services are not covered by this
schedule.

(A) Monthly flat rates:


4" Service or less \$40.00 [~~\$36.00~~]
6" Service \$48.00 [~~\$43.00~~]
8" Service \$56.00 [~~\$50.00~~]

(B) Fire Hydrant services:

Monthly hydrant service charge, per each \$65.00 [~~\$58.00~~]

Section 3. That the effective date for such changes in rates set out in Sections 1 and 2 shall be the first billing cycle one month following the effective date of such ordinance making such changes.

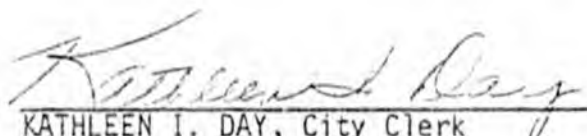
Section 4. That the effective date for this ordinance be the 29th day of December, 1979.



WILLIAM R. WOOD, Mayor

Adopted: December 27, 1978

Attest:



KATHLEEN I. DAY, City Clerk



INTERIOR FIRE CHIEFS ASSN. OF ALASKA

Address Reply to:


Senator Bradley
Pouch V
State Capital
Juneau, Alaska
99811

19 February 1980

Dear Senator Bradley,

The Interior Fire Chief's Association supports House Bill NO. 648 with one exception.

Section 2 AS 42.05.381 (d). The words hydraulic sprinklers are not defined and are too restrictive. That sentence should be changed by deleting the reference to "hydraulic sprinklers" or by adding the words "hydraulic and standard sprinklers."


Ken Anderson
President

Alaska State Legislature

SENATOR
CLEM TILLION
HALIBUT COVE, ALASKA
99603



Senate

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811

March 5, 1980

Mr. Robert S. Oehler
Kenai Steel Buildings, Inc.
P.O. Box 340
Kenai, AK 99611

Dear Mr. Oehler:

Thank you for your letter of February 28 regarding SB 370.

At this time the bill is in the Senate Community and Regional Affairs Committee chaired by Senator Sturgulewski. I will forward your letter of support on to her Committee. Any further information should be sent to her in care of Pouch V, Juneau, AK 99811.

The bill sounds like a good one and I will definitely consider giving it my support.

Thank you again.

Sincerely,

Clem Tillion
State Senate

CVT/dj

Stran

The other way to build
AUTHORIZED BUILDER

Ans. 3-3
Copy to Sturgulewski

Kenai Steel Buildings, Inc.

P. O. Box 340 - Kenai, Alaska 99611 - (907) 283-7810

Februar. 28, 1980

Senator Clem V. Tillion
President
Alaska State Senate
Pouch V
Juneau, Alaska 99811

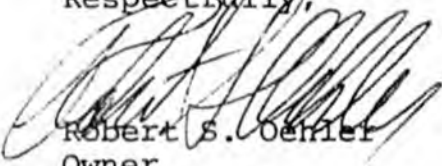
Dear Senator Tillion:

Hopefully, Senate Bill No. 370 will be coming out of Committee and before the Senate for action in the near future.

I do support this legislation, and believe it will offer the businessman the assistance and initiative needed to install fire protection systems in his property. This bill offers the opportunity to control the escalating costs of fire protection service as well as improving the community's fire protection.

Your support on this legislation will be appreciated.

Respectfully,



Robert S. Oehler
Owner

RSO/lc

from Calletta

Alaska State Legislature

House of Representatives

Committee on

Community & Regional Affairs

Pouch V
State Capitol
Juneau, Alaska 99811



Official Business

Bill
SB 300

Proposed CS for HB 648 relating to fire protection would include a definition of fire protection equipment as follows:

p. 2 line 13
(c) In (b) of this section, "fire protection equipment" means fire protection or fire alarm systems as defined in the current edition of National Fire Codes published by the National Fire Protection Association.

Appropriate reference to this definition will be made as needed throughout the bill.

Representative Hugh Malone
Alaska State Legislature
Pouca V
Juneau, Alaska 99811
ATTN: Paul Quesnal

February 27, 1980

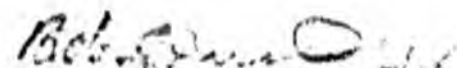
Dear Paul

I have inclosed a written description of Fire Protection systems, I have also inclosed a copy of a letter I recieved from the Greater Juneau Chamber of Commerce supporting House Bill No.648

I contacted Ron Hendrie, the State Fire Marshal, and read to him the letter describing fire protection svstems, he approved of the description on fire protection systems.

The program package material was sent to the printers on Tuesday, and we hope to have it back by this Friday, as soon as we get it in our hands we will be sending this material to your office.

It sounds like things are proceeding smoothly in respect to this bill, keep up the good work' and keep me posted on progress.


Bob Shirnberg

PS. Will you see that Marcie gets a copy of this?

DEFINITIONS OF FIRE PROTECTION SYSTEMS

Fire protection and fire alarm systems are those systems as defined in the National Fire Codes, current edition, published by the National Fire Protection Association.

These systems include, but are not limited to the following: Foam Extinguishing systems, High Expansion Foam systems, Carbon Dioxide systems, Halon 1301 systems, Halon 1211 systems, Dry Chemical systems, Water Spray Fixed systems, Foam/Water Sprinkler and Spray systems, Standpipe and Hose systems, Hydraulic Sprinkler systems, and associated pumps & tanks as required for the foregoing systems.

Fire Alarm systems include, but are not limited to: Central Station signaling systems, Local Protective signaling systems, Auxiliary systems, Remote Station signaling systems, Proprietary signaling systems, Automatic Fire Detection systems.

Stran

The other way to build
AUTHORIZED BUILDER

Bill file
SB 370
fire protection

Kenai Steel Buildings, Inc.

P. O. Box 340 - Kenai, Alaska 99611 - (907) 283-7810

February 28, 1980

Senator Mike Colletta
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

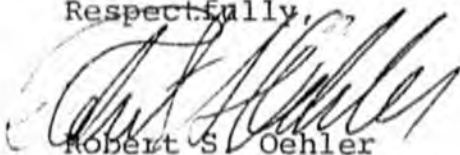
Dear Senator Colletta:

This is a letter of thanks and appreciation for your work in the preparation and introduction of Senate Bill No. 370.

This type of legislation will assist greatly the businessmen of our state, and will create the incentive and assistance necessary to promote the installations of fire protection systems in our communities.

Keep up the good work.

Respectfully,



Robert S. Oehler
Owner

RSO/lc

FEB 1 1980

January 21, 1980

Leaders
Senate House
House of Representatives
State Capitols

Dear Sirs:

Two years ago on December 13, 1977 the dormitory fire at Providence College in Providence, Rhode Island occurred and caused the death of ten girls. In May of 1979 a number of us, their parents, were able to meet for the first time and came to understand that we should do what we can to bring about some good from that tragic occurrence. We now write this letter to you in the spirit of one knocking at the door of your sensibilities.

We have the firm conviction that, if you as a leader in the affairs of your State will re-examine those factors relating to the fire at Providence College, you will learn the lessons that such an examination will reveal. We simply expect and pray that as a consequence you will be personally prompted to take active leadership in insuring that a similar tragedy will not occur on campuses and in institutions of your geographic area. We do not profess to know how you may proceed but trusting in Him above and acknowledging His goodness to us even as this burden of loss has been laid on us and giving witness to the happiness of the many acts of love we shared with our daughters while they lived, we make bold to ask you to consider the following steps as a possible course of action:

1. Lead the State Legislature in re-examining and restructuring laws, standards, and regulations pertaining to fire and building codes and related safety equipment protection devices in the light of all known technology.
2. Establish laws, funds, and agencies to study the technology of fires and the effect of heat, flame, and smoke on bodily, mental, and psychological functions so as to develop meaningful survival techniques.
3. Institute a network of cooperative, educational programs among state and local governments, schools, protection agencies, insurance companies, the press and media and other institutions and among the citizenry itself whereby fire awareness, fire precautions, fire hazards, fire safety and the like become part of everyone's education. Special efforts to heighten awareness should occur in those months and in those situations where the possibility of fire

may exist as known from probability studies and correlative statistical data.

We present our request to you on the basis that we feel compelled to raise our voices to stimulate a renewed interest and corrective action. We thank you for your attention and ask you to join us in our concern that the death of our daughters be not without some blessings for other human beings. We stand ready to assist you in any way we can.

Sincerely yours,

New Jersey:

SIGNED

Louis Andresakes

SIGNED

George Andresakes

Rhode Island:

SIGNED

Olga Botelho

SIGNED

Gilda Botelho

Connecticut:

SIGNED

Marlene Garvey

SIGNED

Bernard Garvey

Massachusetts:

SIGNED

Gene Ludwig

SIGNED

Sam Ludwig

Michigan:

SIGNED

Mary Repucci

SIGNED

Frank Repucci

New York:

SIGNED

Rita Ryan

SIGNED

Robert Ryan

Connecticut:

SIGNED

Phyllis Smith

SIGNED

Robert Smith

Connecticut:

SIGNED

Christine Widman

SIGNED

James Widman

This letter has been addressed to the Governor of each State.

Original signatures on file c/o

Parents

1654 Bracken

Bloomfield Hills, MI 48013

Letters to Sen. Sturgulewski

Mr. Russell J. Bagley, Chairman
South Central Fire Prevention Council

Support

Kenai Steel Buildings, Inc.
Mr. Robert S. Oehler
P.O. Box 340
Kenai, Alaska 99611

Mr. Robert R. Shirnberg
Fire Marshal
Nikiski Fire Department
P.O. Box 1167
Kenai, Alaska 99611

Mr. Brian R. Shute
Attorney at Law
Suite 208
1026 W. 4th Avenue
Anchorage, Alaska 99501

Mr. James A. Morris
Interior Fire Chiefs Assn. of Alaska
656 Seventh Avenue
Fairbanks, Alaska 99701

Dave Fremming, Ex. Vice-President
Greater Juneau Chamber of Commerce
200 North Franklin Street
Juneau, Alaska 99801

Mr. James A. Van Altvorst
City Manager
City of Ketchikan
P.O. Box 7300
Ketchikan, Alaska 99901

Mr. Robert L. Varnam
Cordova Chamber of Commerce
Box 99
Cordova, Alaska 99574

Mr. John Divelbiss, Director
Department of Fire Protection Services
City of Ketchikan
319 Main
Ketchikan, Alaska 99901

COMMUNITY FIRE PROTECTION INCENTIVE PROGRAM

Prepared by Robert R. Shirnberg

October 20, 1979

Fire Marshal

Niskissee Fire Department

283-4202

P.O. Box 1167, Kenai 99611

VI
F

COMMUNITY FIRE PROTECTION INCENTIVE PROGRAM

This program is designed to provide the means and methods for the installation of private fire protection systems in private property and to enhance and support the public fire protection systems of the communities throughout the state of Alaska. This is to be accomplished through the combination of three approaches:

1. Establish a loan fund to provide loans to private property owners for the installation of fire protection systems.
2. A tax incentive for property owners by removing from the property tax rolls the assessed value of the private fire protection system.
3. Control the water standby rate charge, charged by water utilities for large diameter service to sprinkler systems. Such rate charges should be set at a level that will not discourage the installation of sprinkler systems.

What are the possible long term benefits from the Community Fire Protection Incentive Program?

It is apparent that if such a program is carried out to the ultimate, that most of our commercial and business properties could be protected by sprinkler systems. If this was the case, it will have a decided effect on the fire flow requirements of each community by reducing the flow requirements. This will affect the apparatus and equipment required, location and response distances of the companies, the number and location of fire stations, as well as the manning requirements of the fire departments.

There is no question that the State of Alaska is undergoing rather rapid growth in population. The oil industry is expanding, other industrial plants associated with the oil industry are planned and coming on line. The fishing industry is expanding into new products and plants. This is bringing additional population and businesses into many of our communities. This growth is impacting the fire protection systems of many of our cities and rural areas. Communities are being faced with providing additional fire protection services and with the costs of providing these services.

The community fire protection incentive program can provide an alternative to the increasing costs of fire protection. The fire service may well be able to hold the line in respect to increasing costs associated with the growth of the community, and may well be able to reduce the costs in relation to the mill rate required for fire protection.

I have enclosed a copy of an article by Harry E. Hickey, an associate professor with the University of Maryland, entitled "Built-In Fire Protection and Fire Department Manning." This was published in the Fire Management Review, a publication of the City Management Association. This is an area of interest to city managers, and will probably be discussed with the fire departments. The article is idealistic, but does indicate what effect providing sprinkler systems can have on the fire protection system of a community.

VI
F

I suspect that the greatest long term effects of the Community Fire Protection Incentive Program will be in the area of security of the community's assets. I look at these assets as the commercial property, the business within these properties, and the jobs created by these businesses. The community's assets are all the properties within their community, and the income for the community's programs are derived in the form of taxes on this property. With the property protected by sprinkler systems, the community's tax base and programs are protected from fire.

Such a system protects the economies of the community by providing security for the businesses that provide employment of those within the community. The immediate effect of fire on a business is often dramatic, in that amount of dollar loss attributed to the building and contents. The long-term effect of this fire is often overlooked in that the business and jobs lost, the former employees who often must leave the community to work elsewhere, and the effect of the lost payrolls. Few businesses recover from large fires; most often the fire destroys not only the building and contents, but along with that, the jobs and revenue from the business itself. This has the direct effect of removing the property from the tax rolls. We lose the tax generated by the former employees of the business. In many cases, the long-term effect is far more costly on the community than the dramatic immediate loss of the fire itself. In the long-term, this is probably the most important consideration for the establishment of a Private Fire Protection Systems Funding Program.

There have been a number of canneries in smaller communities that have been destroyed by fire. Most often they have not rebuilt, and in some cases the communities where this has happened have ceased to be. There have been a number of fires in commercial property in our larger communities that have destroyed a million dollar tax base, along with large numbers of jobs. These have long-term effects on the community.

The Community Fire Protection Incentive Program can reduce by a very large degree the economic effects of this type of fire.

FIRE PROTECTION REVOLVING LOAN FUND

The revolving loan fund should be funded at a level that will allow for rapid implementation and installation of private fire protection systems.

This fund will make loans to property owners that desire or are required by the uniform building code to install private fire protection systems. Interest rates and loan terms of such loans should be established at a level that encourages the property owner to install such systems.

Requests for loans shall be considered on a priority basis, with those properties that are required to retro-fit fire protection systems in existing properties having the highest priority.

Loan priorities shall be established by the State Fire Marshal's Office. The fire protection system to be installed shall meet the standards as required by the State Fire Marshal's Office.

Cities and municipalities that have code enforcement and standards administered by building department and fire prevention services shall establish the priority schedule for loans and shall review and approve fire protection systems that meet the required standards. Loan requests meeting their approval shall be forwarded to the State Fire Marshal's Office for review and approval.

The revolving loan fund shall be administered by the Department of Commerce, and loan requests that have been approved by the State Fire Marshal's Office shall be granted.

LOAN PRIORITY

PRIORITY#1

Property that will be required under the Uniform Building Code (1976) or (1979) as adopted by the State of Alaska to be retro-fitted with sprinkler systems.

PRIORITY#2

Existing property that is not required by the Uniform Building Code to be retro-fitted with sprinkler systems, but where the property owner desires to install a sprinkler fire protection system.

PRIORITY#3

New construction that is not required by the Uniform Building Code to install sprinkler systems, but where the property owner desires to install a sprinkler fire protection system.

PRIORITY#4

New or existing dwelling units where the property owner desires to install a approved sprinkler protection system.

TAX INCENTIVE PROGRAM

What are we talking about when we speak of a tax incentive program for fire protection? In looking back over the years, and in particular to the fire protection systems that are provided by private property owners, business and industry, we find that through Fire Codes, Uniform Building Codes and ordinances we have insisted that these same property owners provide private fire protection systems.

In effect, what we are telling the property owner is that we in the fire service cannot provide or meet the fire protection requirements for their particular property, that we insist that they install a system that will provide for fire detection and extinguishment, and supplemented by our fire department, we can then possibly handle the fire problem in his building or property.

When the property owner provides for this private fire protection, we often overlook the fact that he is not only providing protection for his property, but in effect is providing a part of the overall fire protection system of the community. His system does provide for fire protection to nearby properties in that the chances of the fire extending beyond his property is practically eliminated through his built-in fire protection system.

With the installation of a sprinkler system or other fire protection system within the property, the value of the property increases. Up to now the increased value of the fire protection system has been added or included in the tax assessment bill on the property.

I strongly feel that to require a property owner to provide for private fire protection systems on his property and then increase his tax bill because he has installed such a system is again self-defeating. We must be able to encourage the property owner to install such systems. We well know that such a system adds directly to the over-all fire protection system of the community.

To encourage the installation of private fire protection systems in our communities throughout the state, with the direct long-range effect of reducing or at least being able to maintain the current level of public fire protection we should consider the following:

Inact legislation at the State level that will remove from the tax rolls the assessment against private fire protection systems. The net effect to the property owner will be that his property tax rate will be reduced by the value of the private fire protection system.

V
I

Presently, the property owner that provides private fire protection systems for his property receives the following benefits:

1. Protection for his building
2. Protection for the contents
3. Protection for the occupants
4. Protection for his business
5. A reduction in the insurance premiums

The public receives the following benefits when a private property provides fire protection systems:

1. The public that enters or resides within the building is protected.
2. The nearby property owners are protected from fire extending from the property in question.
3. The community's tax base is protected in the property
4. The community has assurance that this business will not be destroyed by fire.
5. The jobs provided within this property are secure from fire.
6. There is a lesser demand or requirement on the community public fire department because this property has a built in fire protection system.
7. The overall fire insurance rating will be enhanced by those properties protected by fire protection systems.

It is apparent that those property owners that install private fire protection systems not only receive certain benefits directly, but in respect to the community as a whole, that through their private efforts, provide a larger degree of benefit to the community in general.

Up until the present time, the property owner that provided private fire protection systems has received no direct benefits or credit from the community or local government for his efforts. The community has in general not recognized what the private fire protection systems mean to a community.

It is apparent that if all private property owners could or would provide private fire protection systems, it will have a dramatic long-term effect on the total community fire protection system. It will certainly affect the costs of providing community fire protection in the future.

WATER SURCHARGE RATE

The standby water surcharge rate that is applied in some communities to those property owners that have or have been required to install full sprinkler protection for their property is in effect self-defeating in respect to the fire protection system of the community.

It appears that the only consideration for this type of charge is to provide additional revenue for the utility.

This type of rate charge will result in property owners taking a second look at installations of sprinkler systems. Unless the property owner has a direct benefit that is cost effective he will not be interested in providing fire protection systems for his property.

The benefits that the property owners should receive in the event he provides a sprinkler system for his property would be a reduction in his insurance rate, that will pay back the cost of the sprinkler system within a reasonable time. Another benefit is the protection of his property and business from fire.

An additional water surcharge for sprinkler connection is contrary to the fire protection needs of the community. The community should rather assist and encourage the property owner to install such systems.

We in the fire service, and those that are in communities that have placed a surcharge for sprinkler systems, have often been silenced and are unable to protest this self-defeating development of our fire protection systems. Where the administration is dead set against such charges and they are unable to speak out, such organizations as the State Fire Fighters Association can take a stand and pursue legislation at the State level prohibiting such charges.

If we can encourage the state legislators either by law, or administrative action by the Public Utilities Commission, to eliminate or reduce to a reasonable charge, the service provided for sprinkler systems we will have accomplished much in providing a direction and guidance in meeting the needs for fire protection in our communities.

V!
F

The following examples compare cost figures
for an Incentive Program versus today's cost.

CASE FIRE INSURANCE RATES

Property Discription 29,560 sq. ft. concrete block, retail shop complex.

Fire Protection Class Rural#8

Value of Building \$702,000

Insurance Carried \$700,000

Protected Rate .40 per 100

Unprotected Rate 2.65 per 100

Estimated cost of Sprinkler System \$42,000

Assesed value of Sprinkler System \$42,000

Property Tax Rate 5 mills

Fire Protection Loan 42,000 Interest 7% No. of Years 5:

Monthly Payment \$931 Annual Payment \$9979

<u>Cost Unprotected Property</u>		<u>Cost Protected Property</u>	
<u>Insurance</u>	\$18,550	<u>Insurance</u>	\$2,800
<u>Tax (mill rate)</u>	\$3,500	<u>Tax</u>	\$3,500
		<u>Tax Credit</u>	\$210
		<u>Loan Payment</u>	\$9,979
<hr/>		<hr/>	
<u>Total</u>	\$22,050	<u>Total</u>	\$16,069
<u>Annual saving to property owner</u>	\$5,931		
<u>Saving to property owner on completion of loan payments</u>	\$15,960		

BASE FIRE INSURANCE RATES

Property Description 20,000 square feet, wood frame, mercantile

Fire Protection Class Class 6

Value of Building \$500,000

Insurance Carried \$500,000

Protected Rate .143 per 100

Unprotected Rate 1.76 per 100

Estimated cost of Sprinkler System 26,000

Assesed value of Sprinkler System 26,000 .

Property Tax Rate 16 mills

Fire Protection Loan 26,000 Interest 7% No. of Years 5

Monthly Payment Annual Payment

\$514 - \$6,177

Cost Unprotected Property

Cost Protected Property

Insurance \$8,800

Insurance 9,15

Tax (mill rate) 16 8,000

Tax \$8,000

Tax Credit -\$416

Loan Payment \$6,177

Total \$16,800

Total \$14,476

Annual saving to property owner \$2,324

Saving to property owner on completion of loan payments \$3,501

BASE FIRE INSURANCE RATES

Property Description 26,000 square foot, shop office and bus storage garage, wood frame construction

Fire Protection Class Unprotected Class #10

Value of Building 1,000,000

Insurance Carried 1,000,000

Protected Rate .40/.50 per \$100

Unprotected Rate 2.81 per hundred

Estimated cost of Sprinkler System \$72,500

Assesed value of Sprinkler System \$72,500

Property Tax Rate 5 mills

Fire Protection Loan 72,500 Interest 7% No. of Years 5

Monthly Payment \$1,435 Annual Payment \$17,226

<u>Cost Unprotected Property</u>		<u>Cost Protected Property</u>	
<u>Insurance</u>	\$28,100	<u>Insurance</u>	\$5,000
<u>Tax (mill rate)</u>	\$5,000	<u>Tax</u>	\$5,000
		<u>Tax Credit</u>	- \$362
		<u>Loan Payment</u>	\$17,226
<hr/>		<hr/>	
<u>Total</u>	\$33,100	<u>Total</u>	\$26,864
<u>Annual saving to property owner</u>	\$6,235		
<u>Saving to property owner on completion of loan payments</u>	\$23,462		

VII
F

There are two insert articles on the effect of sprinkler system installations on public fire protection systems.

The number of companies required and the manning levels for each company are directly related to the number of hazards in a community. Any community has a range of hazards. Therefore, the geographical location and the nature of these hazards are prime factors in determining the location of engine and ladder companies.

Built-In Fire Protection And Fire Department Manning

by
Harry E. Hekey
Associate Professor
University of Maryland



PROPERTY HAZARD LEVEL REDUCTION

Generally, property hazard levels should be used to determine the number and type of fire companies required and the manning levels for each.

One method of measuring property hazard levels is to determine the amount of water required to control and extinguish a fire in a building or a group of buildings. Required fire flow will vary according to a building's ground floor area, height, construction, occupancy, internal fire protection and alarm systems (automatic sprinklers and alarm transmission to emergency response service), and exposure conditions.

The Guide for the Determination of Required Fire Flow, which is published by the Insurance Services Office (ISO), can help to determine fire flow requirements for specific hazards (there is some question on the validity of the final computations). It is also helpful in assessing fire flow requirements according to a community's hazard variables. The guide states that by using these computations, fire flow requirements "may be reduced by up to 50% for complete automatic sprinkler protection. Where buildings are either fire resistive or non-combustible construction, the reduction may be up to 75%". Thus, established fire flow values can be cut drastically by requiring the installation of automatic sprinkler protection.

Regardless of the method used to compute required fire flow, there is general agreement that the public protection equipment requirement increases with the fire flow requirement. Conversely, as the property hazard is reduced, so is the required fire flow and thus, the level of fire department response.

A community policy to control and reduce property hazard levels by requiring automatic sprinklers can have a significant impact on holding the line with fire department manning requirements. In addition to improved life safety and property protection, automatic sprinklers may reduce property insurance premiums and the demand on the community's fire suppression delivery system. This may open new service delivery options, such as improvement of emergency medical services with existing personnel.

HYPOTHETICAL CASE STUDY

The community of Newtown, which covers approximately 12.75 square miles, has 5 primary hazards characterized by: ordinary construction, four stories, ground floor areas from 43,000 to 50,000 sq. ft., occupancy at the moderate hazard level, and normal exposure conditions. It is assumed that these buildings are the worst fire hazards in the community, and that the level of fire protection required for them will be equal or better for the rest of the community.

Without automatic sprinkler protection the ISO guide sets a required fire flow of 8,000 gallons per minute for each fire. However, using the water supply section of the ISO Grading Schedule, the basic fire flow for

VI
17

Newtown is 7,500 gallons per minute. The guide makes a clear distinction between required fire flow and basic fire flow.

If each of the primary hazards were retrofitted with a hydraulic automatic sprinkler system, the peak required fire flow for each fire demand zone would be reduced from 8,000 gallons per minute to 4,000 gallons per minute. This would reduce the basic fire flow for Newtown to 3,500 gallons per minute.

The reduction in fire flow requirements has a dramatic effect on manning levels. Fire suppression manning requirements were calculated on the following assumptions:

- a 48 hour work week
- average vacation and sick leave of 4 hours per week for each individual
- 38 persons are required to staff a suppression position 24 hours a day
- engine and ladder companies each require one officer on duty at all times

The ISO Grading Schedule was used to determine the number of engine and ladder companies required, based upon the response distance and the established required fire flows, and the manning requirements for each company.

Company and manning requirements were calculated with and without automatic sprinklers.

	Without Automatic Sprinklers	With Automatic Sprinklers
Stations	5	3
Engines	7	4
Ladders	3	1
Officers	42	15
Firefighters	209	76

Annual personnel costs (including fringe benefits) were estimated on the basis of \$24,000 for each officer and \$18,000 for each firefighter.

	Without Automatic Sprinklers	With Automatic Sprinklers
Officers	\$1,008,000	\$ 360,000
Firefighters	3,762,000	1,368,000
TOTAL	4,770,000	1,728,000

The reduction in personnel costs alone is \$3,042,000. This hypothetical case does not consider the cost factors for installing automatic sprinkler community water system design, deactivation of two fire stations, or the potential savings on community insurance premiums.

It has been established that the property hazard level is the primary factor affecting manning levels for fire companies. When the hazard is reduced, so is the manning requirement. This is only one method of assessing the difference between protection from specific hazards with a complement of fire suppression personnel and increased private protection to lower the demand for public protection.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

BY R. J. COLEMAN
Director of Fire Protection

and

G. L. CARMICHAEL
Fire Marshal
San Clemente, Calif., Fire Dept.

Faced with a tremendous increase in the residential fire problem as its population doubles in the next 10 years, San Clemente, Calif., has passed an ordinance requiring sprinkler systems to be installed in new residential construction. The ordinance also applies to the remodeling of more than 50 percent of a building.

There has been a great deal of talk over the years about residential fires, which account for the largest number of structural fires and take the most lives, but San Clemente has done something about the residential fire problem. The sprinkler ordinance is also aimed at restraining the cost of public fire protection while maximizing fire department services and putting technology to work for us.

What prompted the passage of the residential sprinkler ordinance was a unique growth situation in the city and preparatory work by the staff of the San Clemente Fire Department.

Land to be developed

San Clemente covers 15 square miles with a population of 26,000. Two thirds of the city, about 10 square miles, is vacant land. The three corporations which own this land are prepared to fully develop it within the next 10 years. The population of San Clemente is due to double by 1990.

The fire department staff several years ago realized that it faced this potential and instituted a fire department master plan project. One of the elements of the master plan was to examine alternative methods of providing fire protection during this period of unprecedented growth. Initially, the department received most of its information and training on the master plan project from attending the National Fire Academy fire protection master planning course.

Historically, 90 percent of the fire loss in San Clemente has occurred in single and multiple residential buildings. The five-year fire record also showed that the largest percentage of fires started in kitchens and living rooms. The result of this statistical data was the formulation of a master plan goal to "reduce the loss of life and property in dwelling fires

by building fire protection into new construction."

Three systems studied

Research during the master plan project developed a great deal of information on studies of residential sprinkler systems, smoke detectors and early warning systems. These systems were immediately identified as possible means of mitigating the fire problem.

The first of these systems that was integrated into the city's codes was that of smoke detectors. A comprehensive smoke detector ordinance, patterned after the San Carlos one, was adopted in 1976. This ordinance requires the installation of smoke detectors in all new homes and in existing homes when they are sold or by 1981, whichever comes first.

Members of the fire department took some of their basic information on residential sprinkler tests from United States Department of Commerce studies. With the aid of several local automatic sprinkler companies, the department conducted a series of controlled burns, experimenting with a wide range of heads and installation specifications suggested by the Department of Commerce studies. These tests were run in cooperation with local building contractors and developers. Interested parties were allowed to witness the tests and make suggestions on how to incorporate sprinkler systems into their construction projects.

Four sprinkler goals

The residential sprinkler ordinance was developed with four major goals:

1. That it be low cost.
2. That it be aesthetically acceptable to homeowners.
3. That it be aimed at reducing liability in providing fire services.
4. That it speed the response of extinguishing agents in a dwelling fire.

One thing became apparent right away. The state of the art in residential sprinkler protection was not perfect. In fact, to draw an analogy, the fire department staff felt "that if the Wright Brothers had waited for the Concorde to be invented, they probably never would have built the first aircraft." The decision was made to take what information we had and move forward with the development of a comprehensive sprinkler ordinance for dwellings.

The San Clemente Fire Department operates with an attack pumper that is backed up by reserve fire fighters. Based on this operational situation, it was our intent to provide residential

quarter systems with three objectives in mind. The first objective was to confine 75 percent of all dwelling occupancy fires to the room of origin. The second was to utilize the sprinkler system to prevent flash-over from extending a fire into rooms adjacent to the room of origin. The third objective was to provide fire suppression capability for the first 15 minutes of an alarm.

Fire department support

These three objectives recognized that these systems must be supported by fire suppression forces if they were to be 100 percent effective. These three objectives also recognized that the residential sprinkler system was primarily a tool to mitigate against fire spread during the reflex time period.

The department already had a partial track record on these systems. Due to the other problems in the community, such as limited access, underground garages, etc., the department had already required several apartment houses and condominiums to be sprinklered to NFPA Pamphlet 13-D requirements. Prior to passage of the ordinance, the fire prevention bureau had required these systems in approximately six of these occupancies. Three had been completed prior to the final drafting of the ordinance.

Consideration of this alternative was given a tremendous boost with the passage of proposition 13. This tax-limiting initiative highlighted the general problem of eroding revenue to support fire departments.

One of the most important elements in the study was that of cost. With home construction costs spiraling rapidly, one of the objectives of the study was to develop a system that would be economically feasible during construction. With single family dwelling construction costs running at \$40,000, the installation of a truly domestic residential system was a relatively insignificant amount. The staff estimated the cost to be only \$700 to \$800 during the construction of a home of about 2100 square feet.

Early warning system

The third system that has yet to be required by ordinance is the early warning alarm system to tie together the other systems. The fire department communications officer, Captain Bill Hensley, has authored an ordinance and designed specifications for an alarm system that will allow the fire department to monitor both smoke detectors and residential sprinkler systems with

ordinance will soon be enacted.

There are many other elements of the residential sprinkler system too lengthy to discuss in this article. Two of the major construction requirements, however, will be tightly controlled by the fire department.

First, the system must be installed according to proper design. Through a series of inspections and testing, the fire department will examine every installation and compare it against the standards and engineering drawings.

Secondly, the quality of construction will be controlled through a series of permits authorized under the ordinance, which in summary states, "No one shall install a residential sprinkler system in San Clemente without a fire department permit." These permits can be obtained through the office of the fire chief. It will be his obligation, prior to issuance of a permit, to be satisfied that the applicant has adequate training and knowledge in sprinkler system plumbing practices.

One-year sprinkler installer permits are issued for a \$10 fee that covers the administration costs of the fire department.

Premium cut sought

The fire prevention bureau is soliciting input from the insurance industry in an attempt to get a reduction in insurance premiums for occupancies that are protected by all three built-in systems. The results of that study are incomplete at this time.

In summary, the enactment of these amendments to the Uniform Fire Code should allow our city to maximize our fire suppression forces without facing spiraling costs or reduced revenue. It will not prevent our department from growing in terms of additional staff and equipment. As a matter of fact, the master plan also calls for two new fire stations.

It is still too soon to determine if the standards and the ordinances produce a statistically significant level of reduction in the fire problem. The fire department staff is continuing to build a partnership of the fire service, the sprinkler industry, the insurance industry, the building industry and the local citizenry to upgrade the ordinances if that becomes necessary.

Hopefully, when the development of the three vacant land areas is completed, we will have an environment that is considerably safer from a fire loss point of view than the average community. We really don't know that for sure. To compare to our early analogy about the Wright Brothers, we have now built in a system that is flying, but we are really not sure how it's going to land. Only time will tell! □ □

THE PRECEDING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

BILL ANALYSIS

ASSIGNMENT DATE 2-1-80

UNASSIGNED _____

DEPARTMENT Public Safety	SPONSOR (PRINCIPAL) Colletta and Bradley	BILL NO. SB 370
DEPARTMENT POSITION Support		
DIVISION DIRECTOR Ronald A. Hendrie	DATE 2-13-80	COMMISSIONER William R. Nix
		DATE 2/14/80
GOVERNOR'S OFFICE USE		
<input type="checkbox"/> POSITION NOTED <input type="checkbox"/> POSITION APPROVED <input type="checkbox"/> POSITION DISAPPROVED		
BY: _____ DATE: _____		
SUMMARY		
(1) IDENTICAL TO HB 648 INTRODUCED 1/31/80 (1) RELATED BILLS (SIMILAR OR CONFLICTING) (2) Department of Commerce & Economic Development (2) OTHER AGENCIES AFFECTED BY BILL		
(2) a. ORGANIZATIONAL SUPPORT FOR BILL Alaska Fire Chiefs Association Alaska State Firefighters Association		(2) b. ORGANIZATIONAL OPPOSITION TO BILL Unknown
(3) PROGRAM EFFECTS OF BILL		
The incentive aspects of the bill (voluntary or regulated installation of private fire protection systems) will favorably affect fire prevention and protection programs and efforts at the <u>state and local levels.</u>		
(4) FISCAL IMPACT: <input type="checkbox"/> NONE <input type="checkbox"/> FISCAL ANALYSIS ATTACHED		
(5) AMENDMENTS PROPOSED:		
None		

(6) COMMENTS:

The provisions in this bill provide the incentive and means and methods for the installation of private fire protection systems in private property which will in turn enhance and support the public fire protection systems and capabilities of communities throughout Alaska.

Many communities are being faced with providing additional fire protection services and with the costs associated with providing those services. A community fire protection incentive program can provide an alternative to the increasing costs of fire protection.

A long term affect of such a program would be in the area of security of a communities assets, e.g. private fire protection systems protect the economics of the community by providing security for the businesses that provide the tax base and employment of those within the community. Both the direct and indirect socioeconomic impacts, from fire, would be reduced.

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. S. B. 370 and H. B. 648
 Title An Act Relating to Fire Prevention
 Requested by Legislative Finance Date 2-6-80

II. FISCAL DETAIL

Agency Affected Department of Community & Regional Affairs
 Program Category Affected Development
 Budget Request Unit(s) Affected Local Government Assistance

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME						
PART TIME						

**Comments and Information on
Senate Bill 370 & House Bill 648**

Prepared and submitted by:

**Alaska Fire Chief's Association
and
Alaska State Firefighters Association**

AD HOC Committee

Community Fire Protection Incentive Program

Chairman: Robert Shirnberg

The following material is for distribution to:

SENATE

Member of the Community & Regional
Affairs Committee

Chairman: Arliss Sturgulewski
Vice Chairman: Bob Mulcahy
Member: Tim Kelly
Member: Pat Rodey
Member: Terry Stinson

Distribute also to the following:

Senate Mike Colletta, sponsor Senate Bill #370
Senator Brad Bradley, co-sponsor Senate Bill #370
Representative Hugh Malone, sponsor House Bill #648
Representative Jim Duncan, co-sponsor House Bill #648

This material has been prepared and submitted by the
Alaska Fire Chief's Association and the Alaska State
Firefighters Association

AD HOC COMMITTEE on Community Fire Protection Incentive Program

Chairman: Robert Shirnberg

Comments of preference requirement of loan
for the installation of fire protection systems.

Our original concept was to allow preference on the following basis for fire equipment loans.

First preference would be for those property's that are existing, and where the installation of fire protection systems would be required by local or state building codes.

Second preference would have been for existing property owners that desired to install fire protection systems on a voluntary basis.

Third preference to new construction required to install fire protection systems

Fourth preference to new construction where voluntary installation of fire protection systems is desired.

With the preferential requirement removed from the loan considerations, there is no need to amplify the above considerations.

We feel that if the loan process problems are corrected, and loan applications for the installation of fire protection systems can proceed in a timely manner, there would be no need for preferential considerations, and these loans would be handled in the normal loan process.

Granting a 2% property tax incentive to those property owners who have installed approved fire protection systems is only a small recognition of what this improvement means to a community.

This incentive will help remove some of the reasons that a property owner may have that adversely affect the considerations to install approved fire protection systems.

We only need to look at property that is not protected by the fire protection systems to realize what a benefit to the community it is to have property owners install such systems.

It is the UNPROTECTED property that places the greatest demand on the public fire department and water system. Because of the fire flow requirements of unprotected properties, the manning level of fire departments is as high as it is now. It demands much more fire apparatus and pumping capacity, a larger water utility, and required fire flow reserve capacity.

The public's cost and taxes necessary to provide fire protection for property that is not equipped with approved fire protection systems is much greater. The real dollar costs of fire protection is measured by the number and amount of unprotected commercial properties within the community.

Yet we have responded to those property owners that have installed approved fire protection systems by requiring that they must pay additional property taxes because they have made improvements to their property--improvements that are far less costly to provide fire protection service for.

I find that we have a day and night comparison: Those that have made the effort to improve their property with a direct benefit to the community through reduced costs demanded by fire operations and a less demanding property on the water utility, we have required to pay ADDITIONAL property taxes.

While on the other hand, those property owners that have made no improvements; whose property demands more in respect to costs of operations of the fire department and demands a greater reserve fire flow of the water utility, ARE NOT TAXED ANY ADDITIONAL AMOUNT.

We have a situation in effect, where those that do little if any improvement to their property are rewarded, and those that make decided improvements that reduce costs to the taxpayer are punished, in effect.

I believe that property owners are sensitive to discrimination in such cases. There is no question as to the performance of sprinkler systems, and to the role these systems can and do play in reducing the costs and demands on the public fire departments, as well as demanding less fire flow from the water utility.

There is no question that the majority of the commercial property within our communities is not protected by the installation of such systems. If incentives were not needed to encourage property owners to install such systems, why aren't these systems the rule, instead of the exception?

Water standby demand charges, as presently assessed or charged to property owners, is one of the most inequitable rates assessed a property owner that has installed a sprinkler system. The reasoning and arguments used to justify this special rate charge are for the most part correct.

HOWEVER, all of the arguments and reasoning are directed at the WRONG property owner.

It is the property owner and/or commercial property that is not equipped with a sprinkler system that the rate arguments fit to a "T". It is the property that is NOT equipped with sprinkler systems that places the greatest demand on the water utility for fire operations. It is the property that is NOT equipped with sprinkler systems that causes the community's fire flow requirement to be increased. It is the property that is NOT equipped with a sprinkler system that requires the reserve fire flow.

Where should the fire flow demand rate be assessed?

As the commercial property generates the demand for the additional fire flow by the type of building, lack of fire protection systems, occupancy, etc, would it not be correct that the special water rates required for the additional fire flow requirements be assessed to those that generate the additional requirement? If this is the case, then those properties that are not equipped with fire protection systems should be assessed the additional rates required by the reserve or additional fire flow needed to combat fire in these properties.

What has happened in reality is that some (not all) water utilities have required additional revenue for operations, certainly common with today's economics. Because of this need, they have centered their rate requests on special users, and because of the large size of water service required by a sprinkler system, they have justified these charges based on the size of the service line to the property. In effect, they are charging by the inch of diameter water service. Little, if any, consideration has been given to the actual water demanded by such systems, and in particular considering the water demanded by fire operations of sprinkler-protected properties versus properties not protected by sprinkler systems. There is no question that buildings not equipped with sprinkler systems will demand much greater fire flows, and place a much greater demand and cost on the water utility. For the most part, these demand charges came on line with affected property owners not being aware of such charge until the first billing. The water utility did not publicly announce and make property owners aware of these considerations. For the most part these special unwarranted rates came about quietly. Once a rate such as this is established, it is very difficult to remove or correct, much the same as taxes.

These rates could be much better assessed to all commercial property owners. As a commercial water rate, then all properties would pay the rate. Adjusted, this would allow those that make the greatest demand on the water utility to pay a fair and just rate as per the demand generated by their property for the required fire flow. As it stands now, only those that place a lesser demand on the water utility are required to pay this special water rate.

Is it proper for the Legislature to direct the Public Utilities Commission on matters concerning rate setting?

In the case of the excessive water utility rates as approved by the P.U.C. for demand water service to sprinklered protected buildings, it is proper for the legislature to resolve and direct the P.U.C. to correct the unfair rates that have been approved.

The P.U.C. has allowed and approved a very inequitable rate to be charged by some water utilities for this service. As this rate does not hold with the fair and equitable rate policy as supposed to be administered by the P.U.C., where else but to the legislature can this problem be resolved? The P.U.C. has not re-directed its policy in this matter, and they have let the rate stand.

As to the fairness of the demand water standby rates, the Municipality of Anchorage has requested and received approval from the P.U.C. to remove the demand water standby charges that have been charged by the municipal water utility for the past three years. It is apparent that the Municipality of Anchorage considers these charges excessive and unwarranted, and has removed them effective March 31, 1980.

If the businessmen and property owners in our state cannot receive fair and equitable treatment from public state commissions, the only recourse they have is to seek adjustments by legislative action to resolve the problem.

THE FOLLOWING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

Apparently there is some concern that this legislation will affect for the most part the urban or larger communities, and that it will not do much in the way of helping those in rural or bush Alaska, this is far from the truth.

In the case of most legislation that applies to all areas of the state, the greatest impact will be in those areas of most population or the urban areas.

However, on a one to one basis, this legislation will have the greatest effect in the rural or bush areas, and in those areas with little or no fire protection.

Insurance costs in rural and bush Alaska are often prohibitive. In many cases the cost of fire insurance is such that businessmen are hard pressed by the high rates. A substantial reduction in insurance rates upwards of 50% can be realized with the installation of approved fire protection systems. The installation of the fire protection systems and resulting reduction in insurance costs can make the difference between a marginal business and viable business operation. Often the insurance rates are a considerable portion of the overhead costs.

The impact of business failure or the distraction of a business by fire in the rural or bush areas has a decided effect on the community. We have cases where the major business of a community has been destroyed by fire, placing many out of work, many of those affected must move to other areas to seek employment, and in some cases the community has ceased to be, because the sole source industry of the community has been destroyed.

There has been some question as to the tax incentive being fair for the rural or bush areas that do not have property taxes, businessmen or property owners would not be taxed in such areas, therefore they have no incentive or equal considerations. I can only answer this by saying if you are not taxed for the installation of fire protection systems, you do not have the problem. It is those areas that do tax for the installation of fire protection systems that create a disincentive for the businessmen.

Rural and Bush Alaska has a great incentive to install cost effective fire protection systems, the reduction of insurance costs and overhead costs, the security of the business is much better protected, resulting in better security for the jobs created by the business.

This legislation will allow a method for the business and or community to install fire protection systems, and greatly improve and reduce the impact and major economic effects of fire in our rural and bush areas of the state.

THE PRECEDING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

AVENUES OF APPROACH

SENATE BILL 370

Intent: Provide incentive, means and methods for installation of sprinkler systems (both standard and hydraulic) in residential and commercial buildings (excluding all other fire protection systems)

Bill provides 2 mechanisms:

- 1) through property tax exemptions
- 2) through business loans A) lower loans & interest B) priority status given over all other loans

PROS

Lives & business savings will continue to bring in more revenues to municipalities than lives & businesses lost // vs municipality \$ loss through:

- 1) property tax exemption revenue
 - 2) water reduction revenue (a-water flow requirements for sprinkler heads reduction = 1/2 and b) fire hydrants water reduction c) water standby utilities chgs.
 - 3) other revenue loss through expenses of firemen, policemen, cleanup, etc
- NOTE: also general public property taxes would not have to increase.

Loan program provides more incentive

CONS "full and true value" definition is destroyed, destroys local assessors credibility in est. market value, and confuses taxpayer who refers to assessing records for information.

OTHER AVENUES OF APPROACH TO CONSIDER

- 1. Income tax credit in the amount spent for fire protection systems installation.
- 2. State reimburse the individual a check in the amount of a predetermined percentage of the system cost.
- 3. ~~Insurance reductions~~
- 4. Water rate deductions.

INTENT - INCENTIVE

Existing incentive: fire protection systems reduce insurance premium costs. Property owners can more than "recoup" initial cost of the system installation within a relatively few years.

PROBLEMS ^(penalization) 1) property tax increase 2) water standby surcharge not reduced/eliminated to nominal fee charge rates -- resulting where some owners have shut down their systems opting the higher insurance rates as the cheaper way to go.

Why not penalize those w/o fire protection / sprinkler device instead?

END RESULT DESIRED / MECHANISM

Give incentive to commercial (and residential) owners to install and maintain fire protection systems; and, to present long term method whereby this installation will remain the cheaper avenue to go. *(Affect new building codes and renovations.)*

Fire Protection Definition???

PROBLEM

Alaska is No. 1 in fires with loss of life per capita and property dollar loss per capita

What can be done to help this situation?

SB 370 // Tentative Summary

Bill Backers/Supporters initially: Alaska Fire Chiefs Assoc. and Ak. State Firefighters Assoc.

Legislators: Senator Colletta & Bradley

Intent: provide incentive, means and methods for installation of private fire protection systems in residential and commercial buildings. Two-fold approach: through loans and property tax exemptions.

- allow businessmen and property owners to receive loans at interest rates proposed, giving priority to such loans, thereby encouraging installation

- additional incentive by removing fire protection systems from real property tax roles.

- loan fund (Small Business Loans Division, Ec. Dev. & Com.) will provide loans - with intent of direct insurance savings received from the installation will be calculated in the repayment schedule.

- tax incentive, remove from the property tax rolls the assessed value of the system

- encouraging water standby surcharge for sprinkler connections be reduced/eliminated to nominal fee charge rates to property owners who have installed (Many cases this eliminates or exceeds any dollar saving realized from other reductions as result of installation; i.e., insurance rates lowered, etc.) This will assist positively so that owners will not cut the sprinkler system down and accept the high insurance rates as the cheaper way to go, *...not back to*

PROS

Lives & buildings saved, which will result in more revenue from respective businesses to the municipality.

What municipality will save with the above, will more than compensate for lost revenue because of the tax exemption; i.e., business generating sales tax continues, more employment continues, less policing, firemen, cleanup, effort needed...

Insurance rates are higher on buildings without sprinklers - incentive to install system

Less water pressure is needed -

Insurance deduction to building owner will compensate for any payment on installation loan for sprinklers received.

CONS Municipality loss of revenue - instances where the taxpayer pays for hydrants generally from the municipality budget - underwritten by sales and property taxes equally proportionate from all property owners. *...with consumption decrease - 30 per cent*

Dept. C/RA - "full and true value" definition is destroyed, destroys local assessors credibility in est. market value, and confuses taxpayer who refers to assessing records for information.

Depts 1) Pub. Safety
2) C/RA
3) Econ. Dev. & Commerce
4) ...

Contacts Needed: SB 370, as well as new alternatives

Ginny Chitwood -

✓ APUC (Zerbetz or C. Guess)

1. Outcome of Private Fire Protection Service charge case levied against those buildings who have fire protection sprinkler systems

A. ~~What was the actual violation~~ 1) ~~reduce water flow requirement for sprinklers~~ rates to owners of sprinkler fire protection systems
2) ~~Paying private fire protection service fee~~
?

Violation: two fees being charged - ?) lower water consumption rate and Private Fire Protection Service fee? or municipality charging the one that was not the most advantageous to the customer?

Assistance in alternative approach concerning water rates for commercial and residential buildings who have fire protection systems installed.

Dept. Public Safety/ William Nix, Commissioner or Ronald Hendrie ✓ ✓

Dept. C/RA also F.N. *Alternatives*

Mitch - Anchorage municipality summary and alternative proposals???

Business Loans - F.N. plus dept. concerns / suggestions for alternate proposals ✓

Revenue - ~~Income tax credit rebate~~

Insurance Div. - ~~rate reductions as presently exist, etc.~~ alternate proposals?

Glen "Pat" McKee, Anchorage Assessor 264-6596

The - Jim Hendrie
[Signature]

RECEIVED
A.P.U.C.

AUG 9 12 32 PM '79

Coeur D'Alene, Idaho

52

JAY S. HAMMOND, Governor

**DEPARTMENT OF COMMERCE &
ECONOMIC DEVELOPMENT**

ALASKA PUBLIC UTILITIES COMMISSION

1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501

July 24, 1979

RECEIVED
A.P.U.C.
AUG 9 12 32 PM '79

Gentlemen:

Re: Private Sprinkler Fire Protection

This Commission is desirous of receiving information in the referenced matter as it relates to water utility rates and property tax assessments. Accordingly, if you could assist us by briefly answering the following questions it would be appreciated:

Q. 1. Does a property owner receive any type of tax break for installing a sprinkler system or does the owner subsequently pay more property tax due to an increased property evaluation?

A. 1. Taxes are not effected. Normally the owner will enjoy a better premium in his Insurance rates only.

Q. 2. Are sprinkler system property owners charged a demand charge by the utility for water service and if so, what method is used to determine the costs for providing this service?

A. 2. Yes. A rate analysis was conducted by a consulting firm to determine the rate.

Q. 3. Is the sprinkler system property owner required to pay a direct fire hydrant or fire protection tax by the municipality?

A. 3. No, just the minimum demand charge.

Reply:
8-3-79

RECEIVED
A.P.U.C.

JUL 30 2 28 PM '79

JAY S. HAMMOND, Governor

**DEPARTMENT OF COMMERCE &
ECONOMIC DEVELOPMENT**

ALASKA PUBLIC UTILITIES COMMISSION

1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501

July 24, 1979

Gentlemen:

Re: Private Sprinkler Fire Protection

This Commission is desirous of receiving information in the referenced matter as it relates to water utility rates and property tax assessments. Accordingly, if you could assist us by briefly answering the following questions it would be appreciated:

- Q. 1. Does a property owner receive any type of tax break for installing a sprinkler system or does the owner subsequently pay more property tax due to an increased property evaluation?

No

- Q. 2. Are sprinkler system property owners charged a demand charge by the utility for water service and if so, what method is used to determine the costs for providing this service?

25% per sq ft of frontage or a minimum charge of \$15.00 per year.

- Q. 3. Is the sprinkler system property owner required to pay a direct fire hydrant or fire protection tax by the municipality?

Yes - \$4.00 per month

TACOMA
JAY S. HAMMOND, Governor

**DEPARTMENT OF COMMERCE &
ECONOMIC DEVELOPMENT**

ALASKA PUBLIC UTILITIES COMMISSION

1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501

July 24, 1979

RECEIVED
A.P.U.C.
Aug 3 11 33 AM '79

Gentlemen:

Re: Private Sprinkler Fire Protection

This Commission is desirous of receiving information in the referenced matter as it relates to water utility rates and property tax assessments. Accordingly, if you could assist us by briefly answering the following questions it would be appreciated:

- Q. 1. Does a property owner receive any type of tax break for installing a sprinkler system or does the owner subsequently pay more property tax due to an increased property evaluation?
No, he does not receive a tax break. The owner could pay more tax due to an increased property evaluation.
- Q. 2. Are sprinkler system property owners charged a demand charge by the utility for water service and if so, what method is used to determine the costs for providing this service?
The owner must take a regular water service before qualifying for a special separate fire service. A monthly service charge is imposed based on the operation and maintenance cost of the meter and service pipe.
- Q. 3. Is the sprinkler system property owner required to pay a direct fire hydrant or fire protection tax by the municipality?
No, he is not. The municipality makes a small contribution towards the calculated cost of fire protection.

SEATTLE

If possible, the Commission would also like to receive a list of private sprinkler rates currently used by your municipal water utility.

Very truly yours,

ALASKA' PUBLIC UTILITIES COMMISSION

J. F. Jewell
John F. Jewell
Deputy Director

IWM:gb

Section 33. That as of January 1, 1975, all water used for domestic and commercial purposes shall be supplied by meter only at the following rates and charges.

The rates for metered water supplied to premises within the City of Seattle in one month, or fractional part thereof, shall be in accordance with the following schedule:

SERVICE SIZE	CONSUMPTION QUANTITY ALLOWED	MINIMUM CHARGE
3/4 inch	300 cu. ft.	\$ 2.10
1 inch	600 cu. ft.	2.80
1 1/2 inch	1200 cu. ft.	4.10
2 inch	2000 cu. ft.	6.80
3 inch	3400 cu. ft.	8.70
4 inch	4900 cu. ft.	12.00
6 inch	7100 cu. ft.	16.50
8 inch	10000 cu. ft.	23.00
10 inch	14200 cu. ft.	31.50
12 inch	20600 cu. ft.	44.00

Each one hundred (100) cubic feet in excess of the quantities allowed for the foregoing minimum charges except as hereinafter provided.. \$.213

Each one hundred (100) cubic feet in excess of the first thirty thousand (30,000) cubic feet\$.142

Each separate building or premises in addition to the first or principal building or premises supplied through the same service connection, five hundred (500) cubic feet or less\$2.50

Provided, that the terms "separate building or premises" shall not apply to trailer parks or trailer courts, which shall be governed as to water rates by the number and sizes of services and quantity of water used under the previous schedule.

Water supplied to municipal departments of the City of Seattle, each one hundred (100) cubic feet in excess of the quantity allowed for the foregoing minimum charges\$.142

The rates for water supplied for fire protection purposes exclusively shall be deemed service charges and shall be for any one month, or fractional part thereof, as follows:

SIZE OF SERVICE	SERVICE CHARGE
2 inch	\$ 1.85
3 inch	2.75
4 inch	3.50
6 inch	5.40
8 inch	7.10
10 inch	9.75
12 inch	11.70

The service charges hereinabove set forth shall be granted only during such times as there is no appreciable registration by the meter maintained by the City on such fire protection services.

Water used for any other purpose than for extinguishing fires, through a fire protection service, shall be charged at a rate double the common rate provided for in this ordinance.

← Domestic and commercial rates and fire service charges for inside the City limits of Seattle, Washington. Outside the City limits, rates are slightly higher for the same services.

JAY S. HAMMOND, Governor

**DEPARTMENT OF COMMERCE &
ECONOMIC DEVELOPMENT**
ALASKA PUBLIC UTILITIES COMMISSION

1100 MACKAY BUILDING
338 DENALI STREET
ANCHORAGE, ALASKA 99501

July 24, 1979

RECEIVED
A.P.U.C.
AUG 6 3 45 PM '79

Gentlemen:

Re: Private Sprinkler Fire Protection

This Commission is desirous of receiving information in the referenced matter as it relates to water utility rates and property tax assessments. Accordingly, if you could assist us by briefly answering the following questions it would be appreciated:

Q. 1. Does a property owner receive any type of tax break for installing a sprinkler system or does the owner subsequently pay more property tax due to an increased property evaluation?

no

Q. 2. Are sprinkler system property owners charged a demand charge by the utility for water service and if so, what method is used to determine the costs for providing this service?

no

Q. 3. Is the sprinkler system property owner required to pay a direct fire hydrant or fire protection tax by the municipality?

no

WATER RATES AND REGULATIONS

Service connection installations larger than the two-inch shall be charged at the actual cost of the complete installation.

- 5 Delinquent penalty charge:
(See § 14.16.690) \$15.00
- 6 Special charges:
 - a. Turn-on requested less than thirty days after turn-off requested
(See § 14.16.280) \$10.00 each
 - b. Shut-off and turn-on requested for premises where customer's stop and waste valve should have been used (See §§ 14.16.220 and 14.16.250) \$10.00 each
 - c. Turn-on or shut-off requested for a time other than regular hours (See § 14.16.250) \$30.00 each

7. ~~The Service.~~ The rates for water supplied exclusively for fire protection purposes shall be deemed service charges and shall be for any one month, or fractional part thereof, as follows:

Size of Service	Service Charge
4 inches	\$ 4.00
6 inches	5.50
8 inches	7.50
10 inches	10.00
12 inches	12.00

8. Outside the City Limits.

- 1. Individual Meters. The consumption and minimum monthly charges for individual metered services outside the city limits shall be computed in the same manner as for metered customers within the city and then a surcharge of twenty-five percent of this amount shall be added to the charge so computed to arrive at the total monthly water charge.
- 2. Master Meters.
 - a. The consumption charges for master meters outside the city limits shall be computed in the same manner as for individual metered services outside

~~EDMONDS~~

6.21.040--6.21.050

meter. In the case of premises for which both fire protection and other water service for such uses as domestic commercial, industrial, or manufacturing purposes is supplied, there may be two service installations made to the premises; one for fire service only and one for other water service. These service functions may also be combined in a single service connection with the approval of the water department.

In the event two separate service connections are installed, the fire protection system so served shall consist of an automatic sprinkler system only, without additional outlets which could normally be used for other than fire suppression purposes. (Ord. 1561 (part), 1971).

6.21.040 Fire service monthly service charges. (a) The minimum monthly rates for inspection and maintenance of detector check systems are fixed as follows:

<u>FIRE SERVICE OR DETECTOR METER SIZE</u>	<u>MONTHLY SERVICE CHARGE</u>
2"	\$ 5.00/month
3"	5.00/month
4"	5.00/month
6"	7.50/month
8"	10.00/month
10"	15.00/month

Water used through the fire service line for fire suppression purposes and limited testing of the system will normally be furnished without any charge in addition to the monthly minimum charge set forth for fire service meter or detector check meter.

(b) If a detector check meter proves, or proof otherwise provided, leakage or unauthorized usage of water which is not for fire suppression purposes, the customer shall pay for all water used at the applicable metered rate. The rates for water so used are fixed as follows: At the time of first written notice from the city water department the applicable rate shall be the same as the domestic rate for comparable size of domestic water meter for unauthorized use over one hundred cubic feet per month; in the event the unauthorized use again occurs after the period of time specified in the written notice from the water department the rate shall be double the domestic rate for a comparable size domestic water meter for such unauthorized use over one hundred cubic feet per month.

(c) References made by this chapter as to existing metered rates shall be to Chapter 6.20 of the Edmonds city code. (Ord. 1561 (part), 1971).

6.21.050 Violation--Penalty. In addition to all civil rights of collection, liens, shut-offs and other remedies available to the city of Edmonds as prescribed by statute and ordinance for unauthorized use and/or nonpayment of charges, any person, firm, corporation or other organization, including any officers, directors and managers thereof, who violate any provision of this chapter shall be guilty of a misdemeanor and subject to penalties as set forth in Section 5.12.170 of the

This study was initiated prior to this legislative session for informational purposes in APUC Docket U-79-14, Re Anchorage Water Utility.

In July 1979, the Commission Staff mailed questionnaires to all known municipal water utilities within Alaska and to several municipal water utilities in the northwestern United States. The questionnaire consisted of three questions:

- Q. 1. Does a property owner receive any type of tax break for installing a sprinkler system or does the owner subsequently pay more property tax due to an increased property evaluation?
- Q. 2. Are sprinkler system property owners charged a demand charge by the utility for water service and if so, what method is used to determine the costs for providing this service?
- Q. 3. Is the sprinkler system property owner required to pay a direct fire hydrant or fire protection tax by the municipality?

Of approximately 40 questionnaires sent within Alaska, 13 replies were received and of 93 questionnaires sent out of state 42 replies were received.

TABULATION OF REPLIES

<u>Alaska</u>	<u>Question #1</u>	<u>Question #2</u>	<u>Question #3</u>
Cordova	No *	No	No
Dillingham	No	Yes	No
Homer	No	No	No
Juneau	No	No	No
Kenai	No	No	No
Ketchikan	No	Yes	No
Kodiak	No	No	No
Nome	No	No	No
North Pole	No	Yes	No
Petersburg	No	Yes	No
Seward	No	No	No
Sitka	No	No	No
Skaqway	No	No	No
<hr/>			
Total	Yes: 0 No: 13	4 9	0 13
<hr/>			
<u>Idaho</u>			
Burley	No *	Yes	Yes
Couer d'Alene	No	Yes	No
Moscow	No	No	No
McCall	N/A	N/A	N/A (Sewer Utility)
Mountain Home	No	No	No
<hr/>			
Total	Yes: 0 No: 4 N/A: 1	2 2 1	1 3 1

* Most of the "No" answers on question #1 appear to be directed to the first part of the question. There were several "Neithers."

Note: All of the cities listed here appear to have city owned water systems. Information was previously supplied to the committee re privately owned water utilities such as Central Alaska Utilities, College Utilities Corporation, etc., and the regulated Municipal Water Utility, Anchorage Water Utility.

Oregon

Ashland	No *	Yes	No
Astoria	No	Yes	No
Baker	No	Yes	No
Canyonville	No	No	No
Central Point	No	Yes	No
Clackamas County	No	N/A	N/A (Not Water Utili
Coquille	No	No	No
Corvallis	No	Yes	No
Cottage Grove	No	No	No
Lowell	N/A	No	No
Portland	No	Yes	No
Reedsport	No	No	No
Roseburg	No	Yes	No
Salem	No	No	No
Sandy	No	No	No
Stayton	No	Yes	No

Total	Yes:	0	8	0
	No:	15	7	15
	N/A:	1	1	1

Washington

Anacortes	N/A	Yes	No
Battle Ground	No *	No	No
Blaine	No	No	No
Cheney	No	No	No
Clinton	N/A	N/A	N/A (No sprinkler systems)
Edmonds	No	Yes	No
Everett	No	Yes	No
Fircrest	No	No	No
Forks	No	No	No
Longview	No	Yes	Yes
Moses Lake	No	No	Yes
Okanogan	No	Yes	No
Olympia	N/A	Yes	No
Pasco	No	Yes	No
Port Angeles	No	Yes	No
Pullman	No	No	No
Seattle	No	Yes	Yes
Tacoma	No	Yes	No
Union Gap	N/A	Yes	Yes
Wenatchee	No	Yes	No
Yakima	No	Yes	No

Total	Yes:	0	13	4
	No:	17	7	16
	N/A:	4	1	1

* Most of the "No" answers on question #1 appear to be directed to the first part of the question. There were several "Neithers".

Note: All of the cities listed here appear to have city owned water systems. Information was previously supplied to the committee re privately owned water utilities such as Central Alaska Utilities, College Utilities Corporation, etc., and the regulated Municipal Water Utility, Anchorage Water Utility.

CORRECTION

THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

CORRECTION

S

B

3

89

COMMITTEE REPORT
SENATE

FURTHER: Finance

2/5/80

Date: _____

Mr. President:

COMMUNITY & REGIONAL
AFFAIRS

The Committee on _____ has had SB 389

senior citizen property tax exemption

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Bob Mulcahy

Tom Kelly

John...

...

William St...
CHAIRMAN

This bill is
Almost identical
to HCR 45

THE FOLLOWING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

Rec'd 4-3-80

Original sponsors: Bradley, Kerttule,
Hachney, et al

1 IN THE SENATE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 389

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the senior citizen property tax
7 exemption; and providing for an effective date."

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

9 * Section 1. AS 29.53.020(a)(C) is amended to read:

10 (C) the real property of certain residents of the state to the
11 extent and subject to the conditions of AS 29.53.022 [PROVIDED IN (c) OF
12 THIS SECTION].

13 * Sec. 2. AS 29.53 is amended by adding a new section to read:

14 Sec. 29.53.022. SENIOR CITIZEN PROPERTY TAX EXEMPTION. (a) The
15 real property of a resident 65 years of age or older is exempt from
16 taxation under this chapter. The real property exempt from taxation
17 under this section includes

18 (1) the entire parcel of real property owned and occupied by
19 the resident as a permanent place of residence; and

20 (2) a parcel of real property owned by the resident which is
21 adjacent to the parcel of real property owned and occupied by the resi-
22 dent as a permanent place of residence if the adjacent parcel qualifies
23 for the exemption, as determined by the Department of Community and
24 Regional Affairs by regulation.

25 (b) Only one exemption may be granted for a parcel of real prop-
26 erty under this section. If two or more residents are eligible for the
27 exemption for that parcel, the parties shall decide between or among
28 themselves which of them shall receive the exemption.

29 (c) A parcel of real property may not be exempted from taxation

1 under this section if the assessor determines, after notice and hearing
2 to the parties concerned, that title to the parcel has been conveyed to
3 a resident who is an applicant for the exemption primarily for the
4 purpose of obtaining the tax exemption. The decision of the assessor
5 under this subsection may be appealed by the applicant under AS 44.-
6 62.560 - 44.62.570.

7 (d) A tax exemption may not be granted unless a resident submits
8 an application for an exemption. The application for exemption shall be
9 made on a form prescribed by the state assessor for use by assessors of
10 boroughs and cities which levy and collect real property taxes. A
11 resident shall file his application by January 15 of the year for which
12 a tax exemption is requested, but the city council or borough assembly,
13 for good cause demonstrated by the resident, may waive the resident's
14 failure to file an application by the time it is due and direct the
15 assessor to accept the application as timely filed.

16 (e) An applicant for a tax exemption under this section shall file
17 a separate application for each year in which the tax exemption is
18 requested.

19 (f) If a tax exemption application is filed by January 15 and is
20 approved by the assessor, he shall allow a tax exemption in accordance
21 with the provisions of this section. If a resident whose failure to
22 file by January 15 has been waived as provided in (d) of this section
23 and the application for tax exemption is approved by the council or
24 assembly, the amount of tax which the resident may have already paid for
25 the assessment year with respect to the real property exempted shall be
26 refunded to him.

27 (g) The assessor may at any time require proof in the form he
28 considers necessary of the right and amount of an exemption claimed
29 under this section.

1 (k.) The state shall reimburse a borough or city, as appropriate,
2 for the real property tax revenues lost to it by the operation of this
3 section. However, reimbursement will be made to a borough or city for
4 revenue lost to it only to the extent that the loss exceeds an exemption
5 which was granted by the borough or city, or which upon proper appli-
6 cation by an individual would have been granted by the borough or city,
7 under AS 29.53.025(a).

8 (l.) Except as provided in (h) of this section, nothing in this
9 section affects similar exemptions from property taxes granted by
10 municipalities on September 10, 1972, or prevents municipalities from
11 granting similar exemptions by ordinance as provided in AS 29.53.025.

12 (j) In this section, "real property" includes, but is not limited
13 to, mobile homes whether classified as real or personal property for
14 municipal tax purposes.

15 * Sec. 3. AS 29.53.020(c) - (i) are repealed.

16 * Sec. 4. This Act takes effect January 1, 1981.

17
18
19
20
21
22
23
24
25
26
27
28

THE PRECEDING DOCUMENT(S) MAY NOT FILM
LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.