



## Legislative Fiscal Bureau

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May 19, 2015

Joint Committee on Finance

Paper #572

### **Fire Department Dues Distribution Reestimate (Safety and Professional Services -- Agencywide Provisions)**

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#### **CURRENT LAW**

Any insurer doing fire insurance business in the state must pay fire department dues equal to 2% of the amount of all Wisconsin based premiums paid to the company for insurance against loss by fire, including insurance on property exempt from taxation. After deductions for certain fire prevention programs at the Department of Safety and Professional Services (DSPS) and the Wisconsin Technical College System (WTCS), DSPS distributes the revenues to each city, village or town maintaining a local fire department that complies with state law. Fire dues payments may only be used for eligible activities related to operation of a fire department.

Insurers pay the fire dues to the Office of the Commissioner of Insurance (OCI). OCI transfers the fire dues revenues to DSPS in April of each year. DSPS is required to calculate, by May 1 of each year, the proper amount of fire dues to be paid to each qualifying city, village or town. After DSPS subtracts the appropriated amounts for the DSPS administrative appropriation and the two WTCS fire fighter training appropriations, and makes specified adjustments, the resulting amount is distributed to municipalities. DSPS distributes a proportionate share of the fire dues revenues based on the equalized valuation of real property improvements on land within the qualifying towns, villages and cities. In 2014-15, DSPS is distributing \$17.1 million to local governments that maintain a fire department.

#### **GOVERNOR**

Maintain the base level estimate of \$16,340,000 PR annually for fire dues distribution.

## MODIFICATION

Provide \$1,190,000 in 2015-16 and \$1,570,000 in 2016-17 to reestimate the fire dues distribution to local governments that maintain eligible fire departments as \$17,530,000 in 2015-16 and \$17,910,000 in 2016-17.

**Explanation:** The appropriation for fire dues distribution to local fire departments is a continuing appropriation estimated to include the available revenues. Although the Governor's budget has not reestimated this appropriation, the Legislature has included a reestimate in the last several biennial budgets to include the amount expected to be available. Under 2013 Act 20, the Legislature reestimated the fire dues distribution appropriation to \$16,070,000 in 2013-14 and \$16,340,000 in 2014-15. The actual amount of fire dues distributed to local fire departments in 2014-15 will be approximately \$17.1 million. Based on current estimates of available fire dues revenue, approximately \$17,530,000 would be available in 2015-16 for distribution to local governments with eligible fire departments, and \$17,910,000 in 2016-17.

Change to Bill	
PR	\$2,760,000

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