

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 1748

H. P. 1439

House of Representatives, April 8, 1975

Referred to Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. Ault of Wayne.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT to Increase the Special Tax on Fire Insurance Premiums and Provide Payment of Part of it to Municipalities for Fire Protection Purposes.

Be it enacted by the People of the State of Maine, as follows:

25 MRSA § 2399, as last repealed and replaced by PL 1973, c. 727, § 1, is amended to read:

§ 2399. Commissioner of Public Safety's expenses

The Commissioner of Public Safety may incur reasonable expenses in educating the public in fire prevention and protection.

Every fire insurance company or association which does business or collects premiums or assessments in the State shall pay to the State Tax Assessor, in addition to the taxes now imposed by law to be paid by such companies or associations, ~~6/10th~~ of 1 % of the gross direct premiums for fire risks written in the State, less the amount of all direct return premiums thereon and all dividends paid to policyholders on direct fire premiums. Such tax shall be paid at the same time and under the same conditions as provided for insurance premium taxes as specified in Title 36, section 2521-A. The State Tax Assessor shall pay over ~~all 6/10th of the~~ receipts from such tax to the Treasurer of State daily. ~~Said funds shall~~ be used solely to defray the expenses incurred by the Commissioner of Public Safety in administering all fire preventive and investigative laws, rules and regulations and in educating the public in fire safety and ~~are appropriated for such purposes~~ and to carry out the administration and duties of the office of State Fire Marshal. ~~The State Tax Assessor shall pay over 4/10 of the receipts from such tax to the Treasurer of State daily, to be paid into a special fund; and to the treasurer of each municipality an amount based upon the return of such~~

to the treasure of each municipality an amount based upon the return of such tax and shall be proportionate to the premiums received by such companies on account of insurance against fire risk written upon property located in such municipality. The municipality receiving any payment hereunder shall use these funds for the protection of the municipality against fire, the performance of firefighting operations by a municipal or volunteer fire association, or for the securing of injury or death benefits for firefighters.

Whenever there shall accumulate ~~in the special fund created by this section~~ ~~under the administrative share of such tax~~ a surplus sufficient to defray the expenses of such administration for an ensuing period of one year, then, in the discretion of the Commissioner of Public Safety, the foregoing **part of the special tax assigned for expenses of such administration** for that year may be omitted, and the Commissioner of Public Safety shall certify to the State Tax Assessor that ~~the~~ **this part of the special tax** is to be omitted and said certification is to be made not later than the 31st day of January of the year in which the tax would otherwise be assessed. **In no event shall the municipal part of this tax be so omitted.**

STATEMENT OF FACT

The purpose of this bill is to increase the special tax on fire insurance premiums by $\frac{4}{10}$ th of 1%, and to provide the returns from that increase to municipalities for fire protection purposes.