

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



120th MAINE LEGISLATURE

SECOND REGULAR SESSION-2002

Legislative Document

No. 2201

H.P. 1704

House of Representatives, March 25, 2002

**An Act to Provide Funding for the Office of the State Fire Marshal and
the Maine Fire Training and Education Program.**

(EMERGENCY)

Reported by Representative QUINT for the Maine Fire Protection Services Commission pursuant to the Maine Revised Statutes, Title 5, section 3371.

Reference to the Joint Standing Committee on Criminal Justice suggested and printing ordered under Joint Rule 218.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

2 **Emergency preamble.** Whereas, Acts of the Legislature do not
become effective until 90 days after adjournment unless enacted
as emergencies; and

4 Whereas, an immediate increase in revenue is required to
6 prevent the curtailing of staff and services of the Office of the
State Fire Marshal and the Maine Fire Training and Education
8 Program; and

10 Whereas, in the judgment of the Legislature, these facts
create an emergency within the meaning of the Constitution of
12 Maine and require the following legislation as immediately
necessary for the preservation of the public peace, health and
14 safety; now, therefore,

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

18 **Sec. 1. Special assessment on fire risks.** To provide funds for
the State Fire Marshal and the Maine Fire Training and Education
20 Program, every fire insurance company or association that does
business or collects premiums or assessments in the State shall
22 collect pursuant to this section a special assessment from
policyholders of insured fire risks located in the State.

24 **1. Special assessment.** The special assessment:

26 A. Must be collected on insured policies on all fire risks
28 located in the State issued or renewed on or after July 1,
2002 and prior to July 1, 2003;

30 B. Must be equal to 0.6% of the gross direct premiums for
32 fire risks written in the State, less the amount of all
direct return premiums thereon and all dividends paid to
34 policyholders on direct fire premiums;

36 C. Is a part of the insurance premium only for purposes of
those portions of the Maine Revised Statutes, Title 24-A,
38 including chapter 41, subchapter V relating to cancellation
or nonrenewal of insurance coverage;

40 D. Except as provided in paragraph C but notwithstanding
42 any other provision of law, does not constitute and may not
be reported as part of the premium as defined in Title 24-A,
44 section 2403;

46 E. Must be paid as provided for insurance premium taxes as
specified in Title 36, section 2521-A, except that the
48 assessment must be paid on an estimated basis at the end of
each month, starting July 31, 2002 and ending June 30, 2003,
50 with each installment equal to at least 1/12 of the

2 estimated total assessment for the fiscal year that begins
3 July 1, 2002; and

4 F. Must end prior to June 30, 2003 if the assessment
5 generates revenues of \$983,000 before that date. The State
6 Tax Assessor shall immediately notify carriers of the
7 termination of the assessment.

8
9 **2. Credit.** Beginning July 1, 2003, every fire insurance
10 company or association that does business or collects premiums or
11 assessments in the State that paid the special assessment in
12 section 1 after July 1, 2002 may take a credit against its
13 premium tax owed under Title 36, chapter 357 equal to the special
14 assessment paid in the same month the previous year.

15
16 **Sec. 2. Fund.** The State Tax Assessor shall pay over all
17 receipts from the special assessment to the Treasurer of State
18 daily. The Treasurer of State shall deposit all special
19 assessments collected pursuant to this section into a separate
20 nonlapsing fund of which 75.7% must be used to defray the
21 expenses incurred by the Commissioner of Public Safety in
22 administering all fire preventative and investigative laws and
23 rules and in educating the public in fire safety and to carry out
24 the administration and duties of the Office of the State Fire
25 Marshal. Of the funds, 24.3% must be used to defray the expenses
26 of the Maine Fire Training and Education Program established in
27 the Maine Revised Statutes, Title 20-A, chapter 319. The
28 Department of Public Safety may apply for any available grants
29 and accept any gifts, grants or donations to assist in developing
30 and maintaining the fund.

31
32 **Sec. 3. Appropriations and allocations.** The following
33 appropriations and allocations are made.

34 **PUBLIC SAFETY, DEPARTMENT OF**

35 **Office of the State Fire Marshal**

36
37 Initiative: Allocates funds for additional salary and
38 operating costs.

39

40		2001-02	2002-03
41	Other Special Revenue Funds		
42	Personal Services	\$0	\$375,011
43	All Other	0	228,630
44	Capital Expenditures	0	140,500
45			
46	Total	\$0	\$744,141

47
48 **PUBLIC SAFETY, DEPARTMENT OF**

49	DEPARTMENT TOTALS	2001-02	2002-03
----	--------------------------	----------------	----------------

2	OTHER SPECIAL REVENUE FUNDS	\$0	\$744,141
4	DEPARTMENT TOTAL - ALL FUNDS	\$0	\$744,141

6 **TECHNICAL COLLEGE SYSTEM,
BOARD OF TRUSTEES OF THE MAINE**

8 **Board of Trustees of the Maine
10 Technical College System**

12 Initiative: Allocates funds for the Maine Fire Training and
14 Education program.

14	Other Special Revenue Funds	2001-02	2002-03
16	All Other	\$0	\$238,859
18	Total	\$0	\$238,859

20 **TECHNICAL COLLEGE SYSTEM,
BOARD OF TRUSTEES OF THE MAINE**

22 **DEPARTMENT TOTALS** **2001-02** **2002-03**

24 **OTHER SPECIAL REVENUE FUNDS** **\$0** **\$238,859**

26 **DEPARTMENT TOTAL - ALL FUNDS** **\$0** **\$238,859**

28 **SECTION TOTALS** **2001-02** **2002-03**

30 **OTHER SPECIAL REVENUE FUNDS** **\$0** **\$983,000**

32 **SECTION TOTAL - ALL FUNDS** **\$0** **\$983,000**

34 **Emergency clause.** In view of the emergency cited in the
preamble, this Act takes effect when approved.

36

FISCAL NOTE

38

2002-03

40

APPROPRIATIONS/ALLOCATIONS

42

Other Funds \$983,000

44

REVENUES

46

Other Funds \$983,000

48

2 The establishment of a one-year special assessment to be
collected from policyholders of insured fire risks will increase
4 fee collections. The estimated increase of dedicated revenue to
the Office of the State Fire Marshal is \$744,131 in fiscal year
6 2002-03. The estimated increase of dedicated revenue from this
same assessment to the Maine Fire Training and Education Program
8 within the Maine Technical College System is \$238,859 in fiscal
year 2002-03.

10 The establishment of a credit against premium taxes for
payment of the special assessment fee will result in the one-time
12 loss of General Fund revenues in the amount of \$983,000 in fiscal
year 2003-04.

14 This bill includes an Other Special Revenue funds allocation
16 of \$744,131 in fiscal year 2002-03 for the Office of the State
Fire Marshal within the Department of Public Safety to cover
18 additional salary and operating costs.

20 This bill also includes an Other Special Revenue funds
allocation of \$238,859 in fiscal year 2002-03 to the Maine
22 Technical College System for the Maine Fire Training and
Education Program.

26 SUMMARY

28 This emergency bill provides funds for the operation of the
Office of the State Fire Marshal and for the Maine Fire Training
30 and Education Program. The bill establishes a one-year special
assessment to be collected from carriers insuring fire risks
32 located in the State. This special assessment is designed to
provide operating revenues for the Office of the State Fire
34 Marshal and funds for the Maine Fire Training and Education
Program for fiscal year 2002-03. This bill includes a fiscal
36 note.