

HOUSE BILL NO. 809

INTRODUCED BY PETERSON, GRINDE, VAUGHN, CODY, SPRING

BY REQUEST OF THE DEPARTMENT OF JUSTICE

IN THE HOUSE

FEBRUARY 13, 1991

INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

FIRST READING.

MARCH 28, 1991

COMMITTEE RECOMMEND BILL
DO PASS AS AMENDED. REPORT ADOPTED.

APRIL 1, 1991

PRINTING REPORT.

APRIL 4, 1991

SECOND READING, DO PASS.

ON MOTION, RULES SUSPENDED. BILL
PLACED ON THIRD READING THIS DAY.

THIRD READING, PASSED.
AYES, 54; NOES, 43.

APRIL 5, 1991

ENGROSSING REPORT.

TRANSMITTED TO SENATE.

IN THE SENATE

APRIL 5, 1991

INTRODUCED AND REFERRED TO COMMITTEE
ON TAXATION.

FIRST READING.

APRIL 13, 1991

COMMITTEE RECOMMEND BILL BE
CONCURRED IN AS AMENDED. REPORT
ADOPTED.

APRIL 16, 1991

SECOND READING, CONCURRED IN.

APRIL 17, 1991

THIRD READING, CONCURRED IN.
AYES, 45; NOES, 4.

RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 18, 1991

RECEIVED FROM SENATE.

APRIL 19, 1991

SECOND READING, AMENDMENTS
CONCURRED IN.

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 House BILL NO. 809
2 INTRODUCED BY Petersen Leary the Governor
3 BY REQUEST OF THE DEPARTMENT OF JUSTICE
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE TAX ON
6 FIRE INSURANCE PREMIUMS FOR MAINTENANCE OF STATE FIRE
7 PREVENTION AND INVESTIGATION ACTIVITIES; CREATING A FIRE
8 PREVENTION AND INVESTIGATION ACCOUNT IN THE STATE SPECIAL
9 REVENUE FUND TO FUND FIRE PREVENTION AND INVESTIGATION
10 ACTIVITIES OF THE DEPARTMENT OF JUSTICE; AMENDING SECTION
11 50-3-109, MCA; AND PROVIDING AN EFFECTIVE DATE."
12

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

14 **Section 1.** Section 50-3-109, MCA, is amended to read:

15 "50-3-109. Tax on fire insurance premiums for
16 maintenance of state fire marshal's-office prevention and
17 investigation activities of department of justice. Each
18 insurer authorized to effect insurance on risks enumerated
19 in 19-11-512 doing business in this state shall pay to the
20 state auditor and commissioner of insurance ex officio
21 during the month of February or March in each year, in
22 addition to the taxes on premiums required by law to be paid
23 by it, a tax of ~~3/4 of 1%~~ 1.5% on the fire portion of the
24 direct premiums on such risks received during the calendar
25 year next preceding after deducting cancellations and return

1 premiums. A fire prevention and investigation account is
2 created in the state special revenue fund. The proceeds of
3 the tax imposed by this section must be deposited in the
4 fire prevention and investigation account. Money deposited
5 in the account may be appropriated by the legislature to
6 fund the fire prevention and investigation activities of the
7 department of justice."

8 **NEW SECTION. Section 2.** Effective date. [This act] is
9 effective July 1, 1991.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0809, as introduced.DESCRIPTION OF PROPOSED LEGISLATION:


An act increasing the tax on fire insurance premiums for maintenance of state fire prevention and investigation activities.

ASSUMPTIONS:

1. The amount of fire insurance premium taxes collected under 50-3-109, MCA, was approximately \$470,000 in FY90. Assuming a 2% per year average increase in fire insurance premiums, the amount of taxes collected and deposited to the general fund at the current rate will be \$479,000 in FY92 and \$489,000 in FY93.
2. The current tax rate for fire marshal operations is 0.75% and the proposed rate in this bill is 1.50%.
3. A new fire prevention and investigation account is established.

FISCAL IMPACT:

| | FY 92 | | | FY 93 | | |
|-------------------------------|--------------------|---------------------|-------------------|--------------------|---------------------|-------------------|
| <u>Revenues:</u> | <u>Current Law</u> | <u>Proposed Law</u> | <u>Difference</u> | <u>Current Law</u> | <u>Proposed Law</u> | <u>Difference</u> |
| General Fund (01) | 479,000 | 0 | (479,000) | 489,000 | 0 | (489,000) |
| Fire Insurance Prem. Tax (02) | 0 | 958,000 | 958,000 | 0 | 978,000 | 978,000 |
| Total | 479,000 | 958,000 | 479,000 | 489,000 | 978,000 | 489,000 |

 2-18-91
 ROD SUNDSTED, BUDGET DIRECTOR DATE
 Office of Budget and Program Planning

 2/19/91
 MARY LOU PETERSON, PRIMARY SPONSOR DATE
 Fiscal Note for HB0809, as introduced HB 809

APPROVED BY COMMITTEE
ON TAXATION
AS AMENDED

HOUSE BILL NO. 809

INTRODUCED BY PETERSON, GRINDE, VAUGHN, CODY, SPRING

BY REQUEST OF THE DEPARTMENT OF JUSTICE

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE TAX ON
FIRE INSURANCE PREMIUMS FOR MAINTENANCE OF STATE FIRE
PREVENTION AND INVESTIGATION ACTIVITIES; CREATING A FIRE
PREVENTION AND INVESTIGATION ACCOUNT IN THE STATE SPECIAL
REVENUE FUND TO FUND FIRE PREVENTION AND INVESTIGATION
ACTIVITIES OF THE DEPARTMENT OF JUSTICE; AMENDING SECTION
50-3-109, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 50-3-109, MCA, is amended to read:

"50-3-109. Tax on fire insurance premiums for
maintenance of state fire marshal's-office prevention and
investigation activities of department of justice. Each
insurer authorized to effect insurance on risks enumerated
in 19-11-512 doing business in this state shall pay to the
state auditor and commissioner of insurance ex officio
during the month of February or March in each year, in
addition to the taxes on premiums required by law to be paid
by it, a tax of ~~3/4-of-1%~~ 1-5% 1% on the fire portion of the
direct premiums on such risks received during the calendar
year next preceding after deducting cancellations and return

premiums. A fire prevention and investigation account is
created in the state special revenue fund. The proceeds of
the tax imposed by this section must be deposited in the
fire prevention and investigation account. Money deposited
in the account may be appropriated by the legislature to
fund the fire prevention and investigation activities of the
department of justice."

NEW SECTION. Section 2. Effective date. [This act] is
effective July 1, 1991.

-End-

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BY REQUEST OF THE DEPARTMENT OF JUSTICE

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE TAX ON FIRE INSURANCE PREMIUMS FOR MAINTENANCE OF STATE FIRE PREVENTION AND INVESTIGATION ACTIVITIES; CREATING A FIRE PREVENTION AND INVESTIGATION ACCOUNT IN THE STATE SPECIAL REVENUE FUND TO FUND FIRE PREVENTION AND INVESTIGATION ACTIVITIES OF THE DEPARTMENT OF JUSTICE; AMENDING SECTION 50-3-109, MCA; AND PROVIDING AN EFFECTIVE DATE."

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premiums. A fire prevention and investigation account is created in the state special revenue fund. The proceeds of the tax imposed by this section must be deposited in the fire prevention and investigation account. Money deposited in the account may be appropriated by the legislature to fund the fire prevention and investigation activities of the department of justice."

NEW SECTION. Section 2. Effective date. [This act] is effective July 1, 1991.

-End-

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
April 13, 1991

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill No. 809 (third reading copy -- blue), respectfully report that House Bill No. 809 be amended and as so amended be concurred in:

1. Title, lines 7 through 10.

Strike: "CREATING" on line 7 through "JUSTICE;" on line 10

2. Page 2, lines 1 through 7.

Strike: "A" on line 1 through "justice." on line 10

Signed: _____


Mike Halligan, Chairman

RB 4/13/91
Amd. Coord.

SRB 4/13 2:45
Sec. of Senate

SENATE
HB 809

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BY REQUEST OF THE DEPARTMENT OF JUSTICE

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE TAX ON FIRE INSURANCE PREMIUMS FOR MAINTENANCE OF STATE FIRE PREVENTION AND INVESTIGATION ACTIVITIES; ~~CREATING-A-FIRE PREVENTION-AND-INVESTIGATION-ACCOUNT-IN--THE--STATE--SPECIAL REVENUE--FUND--TO--FUND--FIRE--PREVENTION--AND-INVESTIGATION ACTIVITIES-OF-THE-DEPARTMENT-OF--JUSTICE;~~ AMENDING SECTION 50-3-109, MCA; AND PROVIDING AN EFFECTIVE DATE."

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~~premiums. A-fire-prevention--and--investigation--account--is created--in--the-state-special-revenue-fund. The-proceeds-of the-tax-imposed-by-this-section-must--be--deposited--in--the fire--prevention--and-investigation-account. Money-deposited in-the-account-may-be-appropriated--by--the--legislature--to fund-the-fire-prevention-and-investigation-activities-of-the department-of-justice."~~

NEW SECTION. Section 2. Effective date. [This act] is effective July 1, 1991.

-End-