

House Bill 579

In The House

January 30, 1981	Introduced and referred to Committee on Taxation.
February 2, 1981	Fiscal note requested.
February 5, 1981	Fiscal note returned.
February 16, 1981	Committee recommend bill do not pass.

1 HOUSE BILL NO. 579
2 INTRODUCED BY VINCENT (by request)-----
3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE A MEANS TO
5 DETERMINE ANNUALLY THE AMOUNT OF THE TAX TO BE LEVIED
6 AGAINST FIRE INSURANCE PREMIUMS FOR THE PURPOSE OF FUNDING
7 THE STATE FIRE MARSHAL BUREAU; AMENDING SECTION 50-3-109,
8 MCA."
9

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

11 Section 1. Section 50-3-109, MCA, is amended to read:
12 "50-3-109. Tax on fire insurance premiums for
13 maintenance of bureau. Each insurer authorized to effect
14 insurance on risks enumerated in 19-11-512 doing business in
15 this state shall pay to the state auditor and commissioner
16 of insurance ex officio during the month of February or
17 March in each year, in addition to the taxes on premiums
18 required by law to be paid by it, a tax of not to exceed 3/4
19 of 1% on the fire portion of the direct premiums on such
20 risks received during the calendar year next preceding after
21 deducting cancellations and return premiums. This tax shall
22 be equal to the fraction of 1% of the taxable premiums that
23 will yield sufficient revenue to reimburse the general fund
24 for the total expenditure appropriated for the fire marshal
25 bureau during the fiscal year next preceding.

-End-

INTRODUCED BILL
HB 579

STATE OF MONTANA

REQUEST NO. 283-81

FISCAL NOTE

Form BD-15

In compliance with a written request received February 2, 19 81, there is hereby submitted a Fiscal Note for House Bill 579 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

Description of Proposed Legislation

House Bill 579 is an act to provide a means to determine annually the amount of tax to be levied against fire insurance premiums for the purpose of funding the State Fire Marshal Bureau.

Assumptions

- 1. For the past 10 years, the fire premium tax revenue has increased an average of 11.8% per year and this is assumed to continue to increase at the same rate.
2. It is assumed the Office of Budget and Program Planning proposed budget for FY 1982 and FY 1983 will be adopted for the Fire Marshal Bureau plus 12% increase in personal services.
3. Assume tax will be adjusted each year to cover that year's appropriation.

Revenue Impact

Under Current Law:

Projected FY 1982, actual revenue for FY 1980, \$342,138 + 11.8% = \$382,510
Projected FY 1982, \$382,510 + 11.8% = \$427,646
Projected FY 1983, \$427,646 + 11.8% = \$478,108

Under Proposed Law:

Projected FY 1982 \$427,646
294,569 (assumed year's appropriation will be the tax)
(\$133,077) General Fund Decrease FY 1982

Projected FY 1983 \$478,108
321,007 (assumed year's appropriation will be the tax)
(\$157,101) General Fund Decrease - FY 1983

Thus, the biennium loss to the general fund will be \$290,178.

Handwritten signature of Daniel M. Lewis, BUDGET DIRECTOR, Office of Budget and Program Planning, Date: 2-5-81