

HOUSE BILL 207

Introduced by Larson, et al.

1/15	Introduced
1/15	Referred to Taxation
1/15	First Reading
1/15	Fiscal Note Requested
1/20	Hearing
1/20	Fiscal Note Received
1/20	Fiscal Note Printed
2/03	Tabled in Committee

1 House BILL NO. 207  
2 INTRODUCED BY Don James Sayles Doherty  
3 BY REQUEST OF THE DEPARTMENT OF JUSTICE  
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A STATE  
6 SPECIAL REVENUE FUND ACCOUNT FOR MONEY FROM THE TAX ON FIRE  
7 INSURANCE PREMIUMS; PROVIDING THAT THE MONEY IN THE ACCOUNT  
8 MAY BE APPROPRIATED TO THE DEPARTMENT OF JUSTICE TO FUND  
9 FIRE PREVENTION AND INVESTIGATION ACTIVITIES; AND AMENDING  
10 SECTION 50-3-109, MCA."

11

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

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

14 "50-3-109. Tax on fire insurance premiums for  
15 maintenance of state fire prevention and investigation  
16 activities of department of justice. Each insurer authorized  
17 to effect insurance on risks enumerated in 19-11-512 doing  
18 business in this state shall pay to the state auditor and  
19 commissioner of insurance ~~ex-officio~~ during the month of  
20 February or March in each year, in addition to the taxes on  
21 premiums required by law to be paid by it, a tax of 1% on  
22 the fire portion of the direct premiums on such risks  
23 received during the preceding calendar year ~~next-preceding~~  
24 after deducting cancellations and return premiums. There is  
25 an account in the state special revenue fund. Money from the

1 tax must be deposited in the account. The money may be  
2 appropriated to the department of justice to fund the fire  
3 prevention and investigation activities of the department."

-End-

## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0207, as introduced.

**DESCRIPTION OF PROPOSED LEGISLATION:** An act creating a state special revenue fund account for money from the tax on fire insurance premiums; providing that the money in the account may be appropriated to the Department of Justice to fund fire prevention and investigation activities.

**ASSUMPTIONS:**

1. The total fire insurance portion of the direct premiums paid is estimated to be \$59,500,000 in 1994 and \$60,500,000 in 1995. The 1% tax on these premiums will generate \$595,000 in state special revenue in FY94 and \$605,000 in FY95. The 1% tax currently is deposited to the general fund.
2. The executive budget for the Fire Prevention and Investigation Bureau in the Department of Justice is \$554,435 for FY94 and \$559,789 for FY95. It is assumed, under the proposed legislation, that funding of the bureau will be switched from the general fund to the new state special revenue fund account.
3. Any unexpended balance in the new state special revenue account at the end of a fiscal year will remain in the account and will not be deposited to the general fund.

**FISCAL IMPACT:****Expenditures:**

	FY '94			FY '95		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Department of Justice:						
Fire Prevention & Invest Bureau						
Total expenditures	554,435	554,435	0	559,789	559,789	0

**Funding:**

General Fund	554,435	0	(554,435)	559,789	0	(559,789)
State Special Revenue (02)	0	554,435	554,435	0	559,789	559,789

**Revenue:**

General Fund	595,000	0	(595,000)	605,000	0	(605,000)
State Special Revenue (02)	0	595,000	595,000	0	605,000	605,000

**Net Impact:**

General Fund			(40,565)			(45,211)
State Special Revenue (02)			40,565			45,211

*Dave Lewis*

DAVE LEWIS, BUDGET DIRECTOR  
Office of Budget and Program Planning

1-20-93

DATE

*Don Larson*

DON LARSON, PRIMARY SPONSOR

1-20-93

DATE

**HB 207**