



**WISCONSIN LEGISLATIVE COUNCIL
ACT MEMO**

2003 Wisconsin Act 219 [2003 Senate Bill 410]	Fire Dues Program
2003 Acts: www.legis.state.wi.us/2003/data/acts/	Act Memos: www.legis.state.wi.us/lc/act_memo/act_memo.htm

2003 Wisconsin Act 219 modifies the statutes related to the fire dues program that is administered by the Department of Commerce. Under that program, a municipality may receive funding for the purchase of fire protection equipment; fire inspection and public education; training of fire fighters and fire inspectors; and funding fire fighters' pension funds or other special funds.

In order to receive funding under the program, prior law required that the fire department must provide for the inspection of every public building and place of employment and must meet other requirements with regard to use of funds received under the fire dues program. The Act requires that the fire department must be in "substantial compliance" with those statutory requirements. The Department of Commerce is required to promulgate a rule that defines "substantial compliance."

The Act also requires the Department of Commerce to promulgate a rule that defines "administrative expenses" for purposes of the statute that relates to distribution of fire dues funds for administrative expenses. Under the statutes, money is transferred from the fire dues appropriation line to the administrative expenses appropriation line in an amount specified in the appropriation schedule in ch. 20, Stats. On June 30 of each year, the unencumbered balance in the administrative expenses appropriation line reverts to the fire dues appropriation line. The Act requires the Department of Commerce to promulgate a rule that defines "administrative expenses" and requires that the proposed rule be submitted to the Legislative Council Rules Clearinghouse no later than October 1, 2004.

Effective Date: The Act generally takes effect on April 23, 2004, except that the provisions relating to "substantial compliance" take effect on December 1, 2004.

Prepared by: Richard Sweet, Senior Staff Attorney

April 21, 2004

RNS:ksm

This memo provides a brief description of the Act. For more detailed information,
consult the text of the law and related legislative documents.



**WISCONSIN LEGISLATIVE COUNCIL
AMENDMENT MEMO**

2003 Senate Bill 410

**Senate
Amendment 1**

Memo published: February 5, 2004

Contact: Richard Sweet, Senior Staff Attorney (266-2982)

Senate Bill 410 modifies the statutes related to the fire dues program that is administered by the Department of Commerce. Under that program, a municipality may receive funding for the purchase of fire protection equipment, fire inspection and public education, training of fire fighters and fire inspectors, and funding fire fighters' pension funds or other special funds.

In order to receive funding under the program, current law requires that the fire department must provide for the inspection of every public building and place of employment and must meet other requirements with regard to use of funds received under the fire dues program. The bill requires that the fire department must be in "substantial compliance" with those statutory requirements.

Senate Amendment 1 requires the Department of Commerce to promulgate a rule that defines "administrative expenses" for purposes of the statute that relates to distribution of fire dues funds for administrative expenses. Under the statutes, money is transferred from the fire dues appropriation line to the administrative expenses appropriation line in an amount specified in the appropriation schedule in ch. 20, Stats. On June 30 of each year, the unencumbered balance in the administrative expenses appropriation line reverts to the fire dues appropriation line. The amendment requires the Department of Commerce to promulgate a rule that defines "administrative expenses" and requires that the proposed rule be submitted to the Legislative Council Rules Clearinghouse no later than the first day of the sixth month after the day after publication of the act.

Legislative History

Senate Amendment 1 was introduced by Senator Ronald Brown. On February 4, 2004, the Senate adopted the amendment, and passed the bill as amended, both by voice votes.

RNS:tlu:ksm;jal

Talking Points – Fire Dues Protection (SB 410)

--Current law

- Two percent of insurance premiums sold in WI for fire protection collected by state for distribution through Fire Dues Program
 - Two appropriations in statutes for Wisconsin Technical College System to provide training to fire fighters and help pay tuition costs for fire fighters
 - Other two appropriations for distribution of fire dues payments to municipalities and for administration of program
- Fire departments must meet certain requirements for municipalities to qualify for dues payments
 - Money must be used for certain purposes
 - Purchase of fire protection equipment
 - Fire inspection services and public education
 - Training
 - Fire fighter pensions or other benefits
 - Must inspect every public and commercial building in department's territory at least one every six months

--Problem

- Statute interpreted to mean fire departments must meet absolute compliance or municipality forfeits grant payment
- Often difficult to remain in strict compliance with inspection requirements

- Example: business owner away and building closed so fire department cannot gain access

--Solution

- SB 410 requires fire departments to meet substantial compliance to qualify for dues payment
 - Bill requires Department of Commerce to define by rule the meaning of substantial compliance
 - DCOMM working with fire personnel on definition

--Senate Amendment 1

- Requires DCOMM to define by rule “administrative expenses”
- In past, money lapsed from appropriation to help fill state budget shortfalls
 - Example: About \$12,000 lapsed from administrative appropriation during past budget cycle
- Fire departments feel strongly that money should not be lapsed from program
 - Statutes require money not used from administrative appropriation be used for fire dues distribution
 - Benefits local communities

--Strong support

- Worked with fire chiefs and DCOMM on bill
 - Realize DCOMM does not like amendment
- Bill and amendment passed on voice vote in Senate

Background For Proposal to Change s. 101.575(4)(a), Stats.

Under current law, any insurer doing a fire insurance business in the state must pay, subject to retaliatory and reciprocal insurance tax law provisions, fire department dues equal to 2% of the amount of all Wisconsin based premiums paid to the company during the preceding calendar year for insurance against loss by fire, including insurance on property exempt from taxation. In addition, fire department dues also include 2% of the premiums paid to the state fire fund for the insurance of any public property, other than state property. Fire dues revenues are collected by the Office of the Commissioner of Insurance.

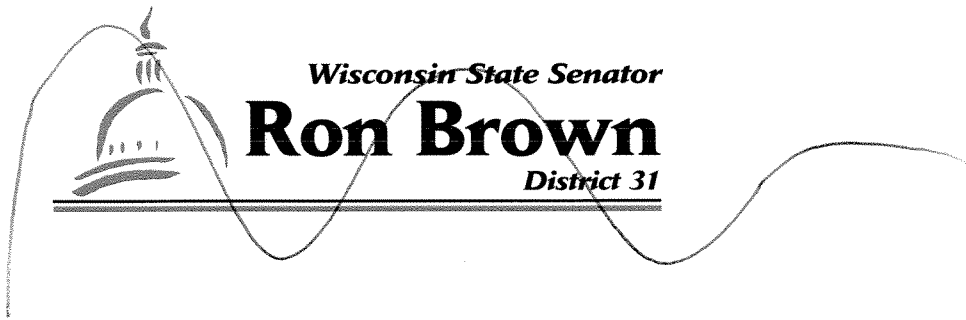
Revenues received under the fire dues program are currently used for: (a) support of fire-fighter training programs in the Wisconsin Technical College system (WTCS); (b) Department of Commerce administration of local fire prevention programs and fire dues payments; and (c) distribution of a proportionate share of the remaining revenue to each city, village or town maintaining a fire department that complies with state law.

The Department of Commerce is responsible for the distribution of fire dues under s. 101.573 and s. 101.575 to cities, villages and towns that maintain fire departments or contract for fire protection if the municipalities meet specific criteria. Distribution of the funds is based on the equalized valuation of real property improvements on land within the qualifying cities, towns and villages.

Any city, village or town may receive fire dues if it has a fire department which: (a) is organized to provide continuous fire protection and has a designated chief; (b) singly, or in combination with another fire department under a mutual aid agreement, can ensure the response of at least four fire fighters, none of whom is the chief, to a first alarm for a building, (c) provides a training program in accordance with Commerce rules; (d) provides facilities capable, without delay, of receiving an alarm and dispatching fire fighters and apparatus; (e) maintains either a voluntary fire department that holds a meeting at least once each month or a paid or partly paid fire department with sufficient personnel ready for service at all times; and (f) complies with fire inspection requirements that require the chief of every fire department to provide a fire inspection for every public building and place of employment in the fire department's territory, generally at least once every six months, except in the City of Milwaukee, which establishes its own inspection schedule. Fire dues may only be used for the direct provision of: (a) the purchase of fire protection equipment; (b) fire inspection and public education; (c) training of fire fighters and fire inspectors; and (d) whole or partial funding of fire fighters' pension funds or other special funds for the benefit of disables or retired fire fighters.

Section 101.575 specifies that if Commerce determines that a fire department has failed to satisfy the eligibility requirements, the Department shall pay fire dues for that calendar year and shall issue a notice of noncompliance. If the fire department cannot demonstrate to the Department that the fire department has met all requirements within one year after receipt of the notice or prior to the next audit by the Department, whichever is later, the city, village or town shall not be entitled to fire dues for that year in which the city, village or town becomes not entitled to due and for all subsequent calendar years until the requirements are met. Administrative rule COMM 14 effective November 1, 1999, includes requirements for annual self-certification by fire departments of compliance or noncompliance with statutory requirements and procedures for onsite audits by Commerce Environmental and Regulatory Services fire safety staff.

The proposal would modify one of the criteria for a municipality to receive fire dues. Under s. 101.575(4)(a), Stats., fire departments must inspect all of the buildings within their jurisdiction twice a year, with a few exceptions provided by rule by Commerce. If a municipality's fire department misses even one building they are out of compliance. If they fail to comply, two years in a row, they don't get their funds. This as an unreasonable standard to meet so the proposal is a revision to require substantial, rather than absolute compliance. The proposal directs Commerce to define substantial compliance by rule.



March 22, 2004

Governor Jim Doyle
P.O. Box 7863
State Capitol, Room 115 East
Madison, WI 53707-7863

Re: Support for SB 410, Modifying the Fire Dues Program

Dear Governor Doyle:

The League of Wisconsin Municipalities urges you to sign SB 410 into law. The bill modifies the statutes related to the fire dues program that is administered by the Department of Commerce. Under that program, a municipality may receive funding for the purchase of fire protection equipment, fire inspection and public education, training of fire fighters and fire inspectors, and funding fire fighters' pension funds or other special funds. Before a municipality may receive a payment under the current fire dues program, the fire department must provide for the inspection of every public building and place of employment and must meet other requirements with regard to use of funds received under the fire dues program.

Under SB 410, the fire department must be in "substantial compliance" with these statutory requirements.

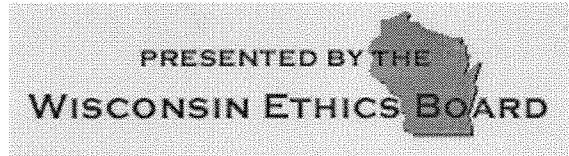
Please give municipalities more flexibility in qualifying for a fire dues payment by signing SB 410 into law. Thanks for considering our comments on this helpful piece of legislation.

Sincerely,

Dan Thompson
Executive Director

Cc: DOA Secretary Marc Marotta
Kirk Brown, Policy Director for Governor Doyle
Tim Casper, Policy Advisor to Governor Doyle

- ▶ Home
- ▶ Lobbying in Wisconsin
- ▶ Organizations employing lobbyists
- ▶ Lobbyists



as of Thursday, February 26, 2004

2003-2004 legislative session

Legislative bills and resolutions

(search for another legislative bill or resolution at the bottom of this page)

- Text, Sponsors and Analysis
- Status and Fiscal Estimate
- Lobbying Effort on this item

Senate Bill 410

eligibility for a grant under the fire dues program. (FE)

Organization		These organizations have reported lobbying on this proposal:	Place pointer on icon to display comment click icon to display prior comments		
Profile	Interests		Date Notified	Position	Comm
●	●	Development Association Inc, The	2/23/2004	↔	
●	●	League of Wisconsin Municipalities	2/4/2004	↑	
●	●	Professional Firefighters of Wisconsin Inc	1/30/2004	?	
●	●	Wisconsin State Firefighters' Association Inc	2/24/2004	?	

Select a legislative proposal and click "go"

House

Proposal Type

Proposal Number (enter proposal number)

Legislative Session