

1999 SENATE BILL 230

September 14, 1999 – Introduced by Senators MOORE, BRESKE, JAUCH, BURKE, ROESSLER and RUDE, cosponsored by Representatives GRONEMUS, SHERMAN and BOYLE. Referred to Committee on Insurance, Tourism, Transportation and Corrections.

1 **AN ACT** *to amend* 631.36 (2) (a) (intro.); *to repeal and recreate* 166.02 (4); and
2 *to create* 20.465 (3) (h), 20.465 (3) (hc), 20.465 (3) (he), 20.465 (3) (hg), 20.465
3 (3) (hi), 20.465 (3) (hk), 73.03 (56), 166.02 (2m), 166.02 (6), 166.23, 601.415 (13)
4 and 610.30 of the statutes; **relating to:** responding to disasters, granting
5 rule-making authority and making appropriations.

Analysis by the Legislative Reference Bureau

Currently, the division of emergency management in the department of military affairs provides grants to counties for emergency management programs, including programs related to hazardous substance releases and planning and responding to natural disasters. Funding for these programs comes from federal, state and county funds and from fees paid by private businesses. The division also provides the state share of grants to individuals and contributions to local governments for major disaster recovery assistance in the event of a presidential disaster declaration.

This bill gives the division of emergency management the authority to provide additional money to county emergency management agencies for the provision of emergency management services. The bill allows the division to provide funds to counties to assist individuals and local governments whose losses from a disaster are not covered by federal disaster relief or by insurance. The bill also allows the division to provide funds for emergency management planning, training and exercises. Under the bill counties with a population of 30,000 or more will be eligible for up to

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\$35,000 in additional funding per year if the county employs a person to work full-time as an emergency management coordinator. Counties with a population of less than 30,000 will be eligible for up to \$20,000 in additional funding per year if the county employs a person to work at least 20 hours per week as an emergency management coordinator. The bill requires counties to maintain current county funding of emergency management. The bill provides funding to the division of emergency management for the development and maintenance of statewide emergency communications and for state emergency management planning, training and exercises.

Under the bill, insurance companies are required to assess annually a fee of \$1 for each motor vehicle insurance policy, \$4 for each residential property insurance policy and \$6 for each commercial or business property insurance policy. The fees are sent to the department of revenue for deposit into the state treasury. The commissioner of insurance is required to provide the department of revenue with information necessary to supervise, audit and enforce the fee assessments. The money generated from these fees provides the funds for the emergency management services provided under the bill.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.465 (3) (h) of the statutes is created to read:

2 20.465 (3) (h) *Emergency management and disaster assistance.* All moneys
3 received by the state treasurer from the collection of emergency management fees
4 under s. 610.30 (1) for state, county and local emergency management and disaster
5 assistance. The secretary of administration shall annually transfer 35% of all
6 moneys credited to this appropriation to the appropriation account under par. (hc),
7 25% of all moneys credited to this appropriation to the appropriation account under
8 par. (he), 10% of all moneys credited to this appropriation to the appropriation
9 account under par. (hg), 25% of all moneys credited to this appropriation to the
10 appropriation account under par. (hi) and 5% of all moneys credited to this
11 appropriation to the appropriation account under par. (hk).

12 **SECTION 2.** 20.465 (3) (hc) of the statutes is created to read:

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1 20.465 (3) (hc) *Emergency management; nonfederally declared disasters.* All
2 moneys transferred from par. (h) for grants to counties under s. 166.23, if federal
3 disaster relief is not available, to assist individuals and local governments whose
4 disaster related losses are not covered by insurance. All moneys transferred from
5 par. (h) shall be credited to this appropriation, except that the unencumbered
6 balance on June 30 of each year shall revert to the appropriation account under par.
7 (h).

8 **SECTION 3.** 20.465 (3) (he) of the statutes is created to read:

9 20.465 (3) (he) *Emergency management; county emergency management.* All
10 moneys transferred from par. (h) for all-hazards county and local emergency
11 management planning, training and exercises to enhance county and local
12 emergency management capabilities. All moneys transferred from par. (h) shall be
13 credited to this appropriation, except that the unencumbered balance on June 30 of
14 each year shall revert to the appropriation account under par. (h).

15 **SECTION 4.** 20.465 (3) (hg) of the statutes is created to read:

16 20.465 (3) (hg) *Emergency management; statewide warnings and*
17 *communications.* All moneys transferred from par. (h) for the development and
18 maintenance of statewide emergency management warning and communications
19 systems. All moneys transferred from par. (h) shall be credited to this appropriation,
20 except that the unencumbered balance on June 30 of each year shall revert to the
21 appropriation account under par. (h).

22 **SECTION 5.** 20.465 (3) (hi) of the statutes is created to read:

23 20.465 (3) (hi) *Emergency management; state emergency programs.* All moneys
24 transferred from par. (h) for state all-hazards emergency management planning,
25 training and exercises. All moneys transferred from par. (h) shall be credited to this

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1 appropriation, except that the unencumbered balance on June 30 of each year shall
2 revert to the appropriation account under par. (h).

3 **SECTION 6.** 20.465 (3) (hk) of the statutes is created to read:

4 20.465 (3) (hk) *Emergency management; collection of fees.* All moneys
5 transferred from par. (h) for administrative expenses related to collection of
6 emergency management fees under s. 610.30. All moneys transferred from par. (h)
7 shall be credited to this appropriation, except that the unencumbered balance on
8 June 30 of each year shall revert to the appropriation account under par. (h).

9 **SECTION 7.** 73.03 (56) of the statutes is created to read:

10 73.03 (56) To administer, audit and enforce the assessment and collection of
11 fees under s. 610.30.

12 **SECTION 8.** 166.02 (2m) of the statutes is created to read:

13 166.02 (2m) “Disaster” means any natural, man-made, technological or civil
14 emergency that causes damage of sufficient severity and magnitude to result in a
15 declaration of a state of emergency by the governor and the county executive or, if the
16 county does not have a county executive, the chairperson of the county board.

17 **SECTION 9.** 166.02 (4) of the statutes is repealed and recreated to read:

18 166.02 (4) “Emergency management” means the preparation for, mitigation of,
19 response to and recovery from disasters. “Emergency management” includes all of
20 the following:

21 (a) Reducing the vulnerability of people and communities of this state to
22 damage, injury or loss of life or property resulting from disasters or hostile military
23 or paramilitary action.

24 (b) Preparing for the prompt and efficient response and recovery to protect lives
25 and property affected by disasters.

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1 (c) Rescuing, caring for and treating persons victimized or threatened by
2 disasters.

3 (d) Responding to disasters using all systems, plans and resources necessary
4 to preserve the health, safety and welfare of persons and property affected by the
5 disaster.

6 (e) Recovering from disasters by providing for the rapid and orderly start of
7 restoration and rehabilitation of persons and property affected by disasters.

8 (f) Providing an emergency management system that embodies all aspects of
9 preparedness, response, recovery and mitigation.

10 (g) Assisting in the recognition, appraisal and mitigation of disasters.

11 **SECTION 10.** 166.02 (6) of the statutes is created to read:

12 166.02 (6) “Major disaster” means a disaster that will likely exceed local
13 capabilities to respond in an adequate, timely manner and may require a broad range
14 of state or federal assistance or both.

15 **SECTION 11.** 166.23 of the statutes is created to read:

16 **166.23 Supplemental payments for emergency management and**
17 **disaster assistance. (1)** The division shall provide money to a county emergency
18 management agency from the appropriation accounts under s. 20.465 (3) (hc) and
19 (he) only if the county emergency management agency does the following:

20 (a) In counties with a population of 30,000 or more, employs a person to work
21 full-time, 40 hours per week, exclusively as the emergency management
22 coordinator. That person would have no other duties for the county or the county
23 emergency management agency.

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1 (b) In counties with a population of less than 30,000, employs a person to work
2 exclusively as the emergency management coordinator for at least 20 hours per
3 week.

4 **(2)** From the appropriation under s. 20.465 (3) (he), the division may pay up
5 to \$35,000 annually to a county that employs a person to work exclusively as an
6 emergency management coordinator for 40 hours per week. From the appropriation
7 under s. 20.465 (3) (he), the division may pay up to \$20,000 annually to a county that
8 employs a person to work exclusively as an emergency management coordinator for
9 at least 20 hours per week. Any payments made to a county under this subsection
10 shall be made in accordance with the provisions of the annual plan of work negotiated
11 between the county and the division.

12 **(3)** A county receiving a payment under sub. (2) shall use that payment, plus
13 an amount equal to the average of the county general revenue funding provided to
14 the county emergency management agency for the past three years or equal to the
15 county general revenue funding provided to the county emergency management
16 agency for the past fiscal year, whichever is lower, for the provision of county
17 emergency management services. In this subsection, “funding provided to the
18 county emergency management agency” does not include county moneys provided
19 for the emergency telephone system under s. 146.70, emergency medical services
20 under s. 146.55, law enforcement, criminal justice, public works and other programs
21 or services outside the responsibilities of emergency management agencies under ch.
22 166.

23 **(4)** In this subsection, “total funds” means the county payment determined
24 under sub. (3) plus the payment received under sub. (2) for the same calendar year.
25 If the amount expended by the county emergency management agency in the

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1 calendar year for which a payment under sub. (2) was made is less than the total
2 funds, the county shall pay to the state an amount equal to the difference between
3 the total funds and the amount expended by the county emergency management
4 agency. The payment to the state under this subsection may not exceed the amount
5 paid to the county under sub. (2) for the calendar year for which the payment under
6 sub. (2) was made.

7 (5) From the appropriation under s. 20.465 (3) (hk), the division may annually
8 reimburse the department of revenue an amount not to exceed 60% of the amount
9 in that appropriation account for the costs incurred by the department of revenue
10 under ss. 73.03 (56) and 610.30. From the appropriation under s. 20.465 (3) (hk), the
11 division may annually reimburse the commissioner of insurance an amount not to
12 exceed 20% of the amount in that appropriation account for the costs incurred by the
13 commissioner under ss. 601.415 (13) and 610.30. From the appropriation under s.
14 20.465 (3) (hk), the division may annually reimburse insurers an amount not to
15 exceed 20% of the amount in that appropriation account for the costs incurred by the
16 insurers under s. 610.30 and under s. 631.36 (2) (a) (intro.), as it relates to fees
17 collected under s. 610.30.

18 (6) The division shall promulgate rules for the allocation and use of funds from
19 the appropriation accounts under s. 20.465 (3) (h), (hc), (he), (hg), (hi) and (hk) and
20 for the administration of this section.

21 **SECTION 12.** 601.415 (13) of the statutes is created to read:

22 601.415 (13) EMERGENCY MANAGEMENT FEE COLLECTION. The commissioner shall
23 cooperate with and, upon request, provide information to the department of revenue
24 with respect to the department's supervision, auditing and enforcement of the
25 emergency management fees collection program under s. 610.30.

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1 **SECTION 13.** 610.30 of the statutes is created to read:

2 **610.30 Collection of emergency management fees. (1)** An insurer that
3 issues or delivers in this state any of the following policies shall annually assess and
4 collect from the policyholder of each such policy the fee specified:

5 (a) A motor vehicle insurance policy, a fee of \$1.

6 (b) A residential property insurance policy, a fee of \$4.

7 (c) A commercial or business property insurance policy, a fee of \$6.

8 **(2)** A fee assessed under sub. (1) shall be in addition to, and shall not be
9 considered a part of, any premium payable for coverage under the policy. As provided
10 in s. 631.36 (2), an insurer may cancel a policy specified in sub. (1) (a) to (c) for
11 nonpayment of a fee assessed under sub. (1).

12 **(3)** Insurers collecting fees under sub. (1) shall remit all fees collected to the
13 department of revenue. Upon notice to and approval of the department of revenue,
14 an insurer may remit the fees on a monthly, quarterly, semiannual or annual basis.

15 **(4)** An insurer that is required to collect a fee under sub. (1) shall maintain at
16 its principal place of business complete and detailed records relating to the collection
17 of the fees and shall make the records available to the department of revenue and the
18 commissioner upon request.

19 **SECTION 14.** 631.36 (2) (a) (intro.) of the statutes is amended to read:

20 631.36 **(2)** (a) *Permissible grounds.* (intro.) Except as provided by par. (c) and
21 sub. (3) and s. 655.24 (2) (b), no insurance policy may be canceled by the insurer prior
22 to the expiration of the agreed term except for failure to pay a premium when due,
23 for failure to pay a fee assessed under s. 610.30 (1) when due or on grounds stated
24 in the policy, which must be comprehended within one of the following classes:

25 **SECTION 15. Initial applicability; applicable insurance policies.**

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1 (1) The treatment of sections 601.415 (13), 610.30 and 631.36 (2) (a) (intro.) of
2 the statutes first applies to policies issued or renewed on the effective date of this
3 subsection.

4 **SECTION 16. Effective date.**

5 (1) INSURANCE FEES. The treatment of sections 20.465 (3) (h), (hc), (he), (hg), (hi)
6 and (hk), 73.03 (56), 601.415 (13), 610.30 and 631.36 (2) (a) (intro.) of the statutes and
7 SECTION 15 (1) of this act take effect on January 1, 2000.

8 (2) EMERGENCY MANAGEMENT. The treatment of sections 166.02 (2m), (4) and (6)
9 and 166.23 of the statutes takes effect on July 1, 2000.

10

(END)