



2% Fire Dues Program

Prepared by: Andrea Brauer, Staff Attorney

Any city, village, or town with a fire department is eligible to receive a portion of the fire insurance premiums collected by insurers doing business in Wisconsin, commonly known as the 2% fire dues program.

SOURCE OF FIRE DUES

Every year, all insurers conducting fire insurance business in Wisconsin must pay the state 2% of all premiums they have collected for insurance loss by fire. The state also contributes 2% of premiums paid to the local government property insurance fund for the insurance of public property, other than state property.

These funds are collected by the Department of Safety and Professional Services (DSPS) and distributed to qualifying municipalities annually, under criteria described below.¹

QUALIFICATION CRITERIA

To qualify to receive fire dues, a municipality must have a local fire department that satisfies all of the following criteria:²

- Is organized to provide continuous fire protection and have a designated chief.
- Is able to ensure the response of at least four firefighters, none of whom is the chief, to a first alarm for a building, either on its own or in combination with another fire department under a mutual aid agreement.
- Provides a training program prescribed by DSPS, which includes biannual training that prepares firefighters to safely perform their duties and monthly training consistent with established fire ground operating procedures.
- Provides facilities capable of receiving an alarm and dispatching firefighters and apparatus without delay.
- Keeps required records of fires.
- Satisfies fire inspection duties and provide public fire education services.

A municipality may qualify to receive fire dues, regardless of whether its fire department is organized as a municipal agency, nonprofit corporation, fire company, or stock corporation. If fire dues are granted, DSPS pays the dues to the municipality, which must then distribute the funds to the municipal or contracted fire department.

Private fire departments, which are generally exempt from state fire standards and are instead generally regulated under federal law, must meet the above criteria to be eligible to receive fire dues.

AMOUNT OF FUNDS

Each qualifying municipality is generally entitled to a proportionate share of the fire dues based on the equalized valuation of its real property improvements, except that each qualifying municipality is entitled to receive not less than the amount of fire dues it received in 1979.³

DSPS reports the total amount of fire dues distributed for the previous eight years as follows:

- Fiscal Year 2011 = \$14,849,925.74.
- Fiscal Year 2012 = \$16,098,609.70.
- Fiscal Year 2013 = \$15,889,402.12.
- Fiscal Year 2014 = \$17,977,549.14.
- Fiscal Year 2015 = \$17,136,066.39.
- Fiscal Year 2016 = \$18,575,142.40.
- Fiscal Year 2017 = \$20,133,993.89.
- Fiscal Year 2018 = \$19,919,554.94.

USE OF FUNDS

A fire department may utilize fire dues only for the following purposes:⁴

- Purchasing fire protection equipment.
- Performing fire inspection and public education.
- Training firefighters and inspectors.
- Funding pension funds or other special funds for disabled or superannuated firefighters.

DSPS OVERSIGHT OF THE FIRE DUES PROGRAM

Each municipality seeking fire dues must submit an annual self-certification form to DSPS. The form includes information regarding the municipality's operations and whether the fire department is in substantial compliance with state law that applies to the fire dues program.

DSPS has authority to perform audits of fire departments for compliance with state standards. If a fire department is noncompliant, DSPS will pay the dues for that year and issue a notice of noncompliance. No future dues will be paid until the fire department comes into substantial compliance with state law that applies to the fire dues program.⁵

¹ ss. 101.573 and 601.93, Stats.

² s. 101.575, Stats.; and s. SPS 314 (14) (a), Wis. Adm. Code.

³ s. 101.575 (1) (a), Stats.

⁴ s. 101.575 (6), Stats.; and s. SPS 314.01 (14), Wis. Adm. Code.

⁵ s. 101.575 (1) (am), Stats.; and s. SPS 314.01 (14), Wis. Adm. Code.