



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 25, 2005

Joint Committee on Finance

Paper #215

### Fire Dues Distribution (Commerce)

#### CURRENT LAW

Any insurer doing fire insurance business in the state must pay 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. The fire dues distribution appropriation is estimated at \$8.6 million PR annually in a continuing appropriation. However, Commerce distributes all funds to municipal fire departments that are not appropriated to the WTCS for fire-fighter training, or to Commerce for fire prevention programs. In 2003-04, Commerce distributed \$13.1 million to local governments that maintain a fire department. In 2004-05, Commerce will distribute \$13.3 million.

#### GOVERNOR

No provision.

#### MODIFICATION

Reestimate the appropriation for fire dues distribution to local fire departments from \$8,600,000 to \$13,700,000 in 2005-06 (an increase of \$5,100,000) and \$14,100,000 in 2006-07 (an increase of \$5,500,000).

<u>Modification</u>	<u>PR</u>
2005-07 FUNDING (Change to Bill)	\$10,600,000

**Explanation:** The fire dues distribution to local fire departments has steadily risen from \$6.8 million in 1994-95, to \$8.2 million in 1999-00 to \$13.3 million in 2004-05 (an average annual increase of over 7%). The appropriation has not been reestimated

since 2001. This reestimate assumes an annual increase of approximately 3% through the next biennium.

Prepared by: Kendra Bonderud