

**SENATE BILL REPORT**

**SB 5541**

**AS REPORTED BY COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE,  
MARCH 5, 1991**

**Brief Description:** Creating the fire services trust fund.

**SPONSORS:** Senators Moore, Vognild, Hansen, Conner, Matson, Sellar, Bauer, Madsen and McMullen.

**SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE**

**Majority Report:** That Substitute Senate Bill No. 5541 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators von Reichbauer, Chairman; Johnson, Vice Chairman; McCaslin, Moore, Owen, Pelz, Rasmussen, Sellar, and Vognild.

**Staff:** Steve Nelsen (786-7535)

**Hearing Dates:** February 21, 1991; March 5, 1991

**BACKGROUND:**

The Department of Community Development's proposed budget for the next biennium includes a provision for \$999,395 in service charges to cover the cost of fire services training. The department's proposed budget for the next biennium also includes an appropriation of \$5,603,000 from the general fund for the general purpose of fire protection. It is felt by some that a dedicated funding source for firefighting costs would remove the need for service charges or general fund money.

**SUMMARY:**

A fire service trust fund is created. A 1/10th of 1 percent additional premium tax shall be imposed on the premiums of all insurance sold in this state except health care maintenance and health care service. The revenue generated by this additional tax would go into the fund for firefighting purposes including: training of personnel; operation, maintenance, and capital improvements of training centers; lease or purchase of training equipment; investigations and record-keeping related to arson; code enforcement; public education; and grants to local entities. The current 2 percent premium tax already generates some funds for fire services and these provisions shall remain unchanged.

**EFFECT OF PROPOSED SUBSTITUTE:**

An appropriation is required for expenditures from the fire services trust fund.

**Appropriation:** unspecified

**Revenue:** yes

**Fiscal Note:** available

**TESTIMONY FOR:**

A dedicated funding source is necessary to maintain the quality of the state's fire protection services and training. The North Bend Training Center would be forced to close unless the funding source proposed by this bill is created. A dedicated funding source for fire protection services would free up millions of dollars of general fund money for other purposes and reduce or eliminate the need for service charges for fire service training proposed by the Department of Community Development. Federal funds that have been available in the past for fire services training are no longer available while the need for advanced training has grown.

**TESTIMONY AGAINST:**

An addition to the existing premium tax is not an appropriate source of funds for fire protection services.

**TESTIFIED:** Dan Wolfe, SAFECO (con); Gordon Walgren, WA State Fire Chiefs Assn. (pro); Duane Malo, Joe Basta, Jim Graue, Stan Anderson, WA State Firefighters Assn. (pro)