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SENATE BILL 5541

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State of Washington

52nd Legislature

1991 Regular Session

By Senators Moore, Vognild, Hansen, Conner, Matson, Sellar, Bauer, Madsen and McMullen.

Read first time February 6, 1991. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to funding the fire services trust fund; amending  
2 RCW 48.14.020; adding new sections to chapter 43.63A RCW; and creating  
3 new sections.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** It is necessary for the health, safety, and  
6 welfare of the people of the state of Washington that all fire service  
7 personnel in the state have access to training in order that they may  
8 perform their life and property saving duties in a safe and competent  
9 manner. Modern training techniques and training equipment are  
10 necessary to ensure as far as possible the safety and effectiveness of  
11 both paid and volunteer fire service personnel. The safety of the  
12 lives and property of the people of the state depend on trained fire  
13 service personnel. It is also found by the legislature to be necessary  
14 for health, safety, and welfare of the people that state-provided fire  
15 investigations, fire code enforcement, public education on fire

1 prevention, and administration of these activities be funded in a  
2 dependable manner. It is therefore the intent of the legislature to  
3 establish a fund for these purposes.

4 NEW SECTION. **Sec. 2.** The fire services trust fund is created in  
5 the custody of the state treasurer. All proceeds from the tax imposed  
6 on insurance premiums under RCW 48.14.020 (1)(b) and (2)(b) shall be  
7 deposited in the fund. Expenditures from the fund may be used only for  
8 the purposes of section 3 of this act. Only the director may authorize  
9 expenditures from the fund. The fund is subject to allotment  
10 procedures under chapter 43.88 RCW, but no appropriation is required  
11 for expenditures.

12 NEW SECTION. **Sec. 3.** Money from the fire services trust fund may  
13 be expended for state-provided activities such as:

14 (1) Training of fire service personnel, including both classroom  
15 and hands-on training, approved by the director through the director of  
16 fire protection services;

17 (2) Maintenance, operation, and capital improvements at the state's  
18 fire training centers;

19 (3) Lease or purchase of equipment for training of fire service  
20 personnel;

21 (4) Investigation of arson and recordkeeping related to arson;

22 (5) Code enforcement;

23 (6) Public education in fire prevention techniques including the  
24 dissemination of materials and information and technical assistance;

25 (7) Grants to local entities to allow them to perform their  
26 functions under this section;

27 (8) Other activities authorized under RCW 43.63A.300 through  
28 43.63A.370 or chapter 48.48 RCW;

1 (9) Costs of administering these programs.

2 **Sec. 4.** RCW 48.14.020 and 1986 c 296 s 1 are each amended to read  
3 as follows:

4 (1) Subject to other provisions of this chapter, each authorized  
5 insurer except title insurers shall on or before the first day of March  
6 of each year pay to the state treasurer through the commissioner's  
7 office a tax on premiums. Except as provided in subsection (2) of this  
8 section, such tax shall be in the amount of (a) two percent and (b)  
9 one-tenth percent of all premiums, excluding amounts returned to or the  
10 amount of reductions in premiums allowed to holders of industrial life  
11 policies for payment of premiums directly to an office of the insurer,  
12 collected or received by the insurer during the preceding calendar year  
13 other than ocean marine and foreign trade insurances, after deducting  
14 premiums paid to policyholders as returned premiums, upon risks or  
15 property resident, situated, or to be performed in this state. For the  
16 purposes of this section the consideration received by an insurer for  
17 the granting of an annuity shall not be deemed to be a premium.

18 (2) In the case of insurers which require the payment by their  
19 policyholders at the inception of their policies of the entire premium  
20 thereon in the form of premiums or premium deposits which are the same  
21 in amount, based on the character of the risks, regardless of the  
22 length of term for which such policies are written, such tax shall be  
23 in the amount of (a) two percent and (b) one-tenth percent of the gross  
24 amount of such premiums and premium deposits upon policies on risks  
25 resident, located, or to be performed in this state, in force as of the  
26 thirty-first day of December next preceding, less the unused or  
27 unabsorbed portion of such premiums and premium deposits computed at  
28 the average rate thereof actually paid or credited to policyholders or

1 applied in part payment of any renewal premiums or premium deposits on  
2 one-year policies expiring during such year.

3 (3) Each authorized insurer shall with respect to all ocean marine  
4 and foreign trade insurance contracts written within this state during  
5 the preceding calendar year, on or before the first day of March of  
6 each year pay to the state treasurer through the commissioner's office  
7 a tax of ninety-five one-hundredths of one percent on its gross  
8 underwriting profit. Such gross underwriting profit shall be  
9 ascertained by deducting from the net premiums (i.e., gross premiums  
10 less all return premiums and premiums for reinsurance) on such ocean  
11 marine and foreign trade insurance contracts the net losses paid (i.e.,  
12 gross losses paid less salvage and recoveries on reinsurance ceded)  
13 during such calendar year under such contracts. In the case of  
14 insurers issuing participating contracts, such gross underwriting  
15 profit shall not include, for computation of the tax prescribed by this  
16 subsection, the amounts refunded, or paid as participation dividends,  
17 by such insurers to the holders of such contracts.

18 (4) The state does hereby preempt the field of imposing excise or  
19 privilege taxes upon insurers or their agents, other than title  
20 insurers, and no county, city, town or other municipal subdivision  
21 shall have the right to impose any such taxes upon such insurers or  
22 their agents.

23 (5) If an authorized insurer collects or receives any such premiums  
24 on account of policies in force in this state which were originally  
25 issued by another insurer and which other insurer is not authorized to  
26 transact insurance in this state on its own account, such collecting  
27 insurer shall be liable for and shall pay the tax on such premiums.

28 (6) Proceeds from the tax under subsections (1)(b) and (2)(b) of  
29 this section shall be deposited in the fire services trust fund as  
30 provided by section 2 of this act.

1        NEW SECTION.    **Sec. 5.**    This act shall be liberally construed to  
2 effect its purposes.

3        NEW SECTION.    **Sec. 6.**    Sections 2 and 3 of this act are each added  
4 to chapter 43.63A RCW.

5        NEW SECTION.    **Sec. 7.**    If any provision of this act or its  
6 application to any person or circumstance is held invalid, the  
7 remainder of the act or the application of the provision to other  
8 persons or circumstances is not affected.