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FISCAL IMPACT REPORT

SPONSOR: Rodriguez DATE TYPED: 02/08/01 HB _____
 SHORT TITLE: Increase Fire Protection Fund Distributions SB 21
 ANALYST: Valenzuela

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
		See Narrative			

(Parenthesis () Indicate Expenditure Decreases)

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY01	FY02			
	\$ (3,100.0)		Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files
Office of the State Fire Marshal

SUMMARY

Synopsis of Bill

Senate Bill 21 amends the “Fire Protection Fund Law” to increase the distributions to qualifying main station and substation fire districts by approximately 20 percent. The bill also makes minor technical corrections.

Significant Issues

The Fire Protection Fund law identifies the funding formula for making distributions to fire districts from the Fire Protection Fund. The Fund was created to pay for the operating expenses of both the State Fire Marshal’s Office and for the State Firefighter Training Academy, as well as the distribu-

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tions made to the fire districts. The law also defines the criteria for counties and municipalities to meet in order to receive state funding.

FISCAL IMPLICATIONS

Fire districts have argued for a larger distribution from the Fund for a number of years. Over the past 10 years, the annual distributions to fire districts have averaged \$12.8 million. Although, in 1999, the distribution total increased over the 1998 level by 10.8 percent and has remained near this amount (Attachment 1). Senate Bill 21 would increase the distribution by 20 percent to \$18.6 million. However, the distributions have increased as a percentage of total funds. From 1994 to 1998, the distribution percent fell to below 40 percent (Attachment 2).

Enactment of Senate Bill 21 would have a negative fiscal impact on the general fund because any amounts remaining in the fund, after distributions, revert to the general fund. The 20 percent increase in the distribution could cost \$3.1 million, based on an average distribution of \$15.5 million annually.

ADMINISTRATIVE IMPLICATIONS

Enactment of Senate Bill 21 would have only a minor administrative impact on the State Fire Marshal's Office.

MFV/njw:ar