

2011 HOUSE POLITICAL SUBDIVISIONS

HB 1176

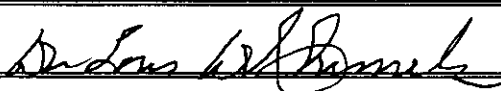
2011 HOUSE STANDING COMMITTEE MINUTES

House Political Subdivisions Committee
Prairie Room, State Capitol

HB 1176
February 4, 2011
Job # 14036

☐ Conference Committee

Committee Clerk Signature



Explanation of reason for introduction of bill.

Relating to notification by the ND firefighter's association of the treasurer of each fire department or company to the auditor of each municipality.

Minutes:

Testimony #1

Chairman Johnson: Reopened the hearing on HB 1176.

Rep. Karl's: I was asked to sponsor this bill on behalf of the ND Firefighters Association.

Renee Loh, Executive Director of the ND Firefighter's Assoc.: (See testimony #1). Went over the form and the required signatures.

Rep. Koppelman: You stated that the State Fire Marshall is mandated to send this information out. Where is that mandate?

Renee Loh: I just know in visiting with the State Fire Marshall's office he said that he is mandated to do that.

Jerry Hjelmstad, ND League of Cities: We support this change. We noticed it is no longer needed by the cities as was mentioned. The insurance premium goes directly to the treasurer of the fire district unless there is a paid fire department and then it goes to the city so there is no longer a need for the city to get this information from the Fire Fighters Association.

Opposition: None

Neutral: None

Hearing closed.

Do Pass Motion Made by Rep. Shirley Meyer: Seconded by Rep. Kilichowski

Discussion: None

House Political Subdivisions Committee

HB 1176

February 4, 2011

Page 2

Vote: 11 Yes 0 No 3 Absent Carrier: Rep. Kilichowski

Hearing closed.

Date: 2.4.11
Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1176

House Political Subdivisions Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ☒ Do Pass ☐ Do Not Pass ☐ Amended ☐ Adopt
Amendment

☐ Rerefer to Appropriations ☐ Reconsider _____

Motion Made By Rep. Meyer Seconded By Rep. Kilichowski

Representatives	Yes	No	Representatives	Yes	No
Chairman Nancy Johnson	✓		Rep. Kilichowski	✓	
Vice Chairman Hatelstad	✓		Rep. Shirley Meyer	✓	
Rep. Beadle	0		Rep. Mock	✓	
Rep. Devlin	✓		Rep. Zaiser	0	
Rep. Heilman	✓				
Rep. Klemin	✓				
Rep. Koppelman	✓				
Rep. Kretschmar	✓				
Rep. Maragos	0				
Rep. Pietsch	✓				

Total (Yes) 11 No 0

Absent 3

Floor Assignment Rep. Kilichowski

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1176: Political Subdivisions Committee (Rep. N. Johnson, Chairman) recommends **DO PASS** (11 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). HB 1176 was placed on the Eleventh order on the calendar.

2011 SENATE POLITICAL SUBDIVISIONS

HB 1176

2011 SENATE STANDING COMMITTEE MINUTES

Senate Political Subdivisions Committee Red River Room, State Capitol

HB 1176
March 10, 2011
15243

☐ Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to notification by the North Dakota firefighter's association of the treasurer of each fire department or company to the auditor of each municipality.

Minutes:

You may make reference to "attached testimony."

Chairman Andrist opened the committee hearing on HB 1176 relating to notification by the North Dakota firefighter's association of the treasurer of each fire department or company to the auditor of each municipality.

Representative Karen Karls, District 35. Introduced and in support of HB 1176.

Renee Loh: Executive Director of the North Dakota Firefighter's Association. See written testimony #1, #2, #3.

Chairman Andrist: As I understand this and if I can paraphrase what you're saying, 18-04-08 now requests you to do something that is redundant and already being done through the State Fire Marshall.

Renee Loh: Right, it's a duplication of services. The Fire Marshall and I have visited in depth about this. We just feel it's in the states' interest and as long as the form is on the North Dakota Fire Marshall and people need to send it to him by law that we would just like to have that.

Senator Olafson: In the second to the last paragraph, on page 1, you start talking about a check being issued from the State Insurance Department to the designated bank of the rural fire department. What is that payment? All of a sudden you start talking about some payment that is apparently sent on a regular basis? What is the payment that is sent and what's the basis of that? **Renee Loh**: Yes, if you look at this form, it actually lists the official name of the department and all of the pertinent information. Then it is signed off by the city's auditor and the fire chief. When the Fire Marshall gets this information back, he reviews the forms and if he feels that all of the information is correct, he sends that information to the state insurance department, and then also to the North Dakota Firefighters. The reason it goes over to the insurance department is that the funding that

comes for the fire department actually comes through from the premium tax money and that is why this form goes to the insurance department and to us.

Senator Olafson: So what would be a typical payment that a rural fire department would receive from the insurance department?

Renee Loh: They all are different amounts. From this information there is a formula put in place and that amount of money then is sent out to that fire department.

Senator Olafson: Does the funding for that come from the insurance premiums we all pay?

Renee Loh: Yes.

Jerry Hjelmstad, North Dakota League of Cities, Support for repeal of this section of HB 1176. Testimony #4. We feel it is duplication. Right now the information is provided by the Fire Marshall to the insurance department and they do send out the insurance premium tax directly to the fire districts. In response to Senator Olafson's question on how much it is. I did get a copy of the letter that the city of Norwood got from the insurance department from there fire district. That distribution amounted to \$11,495 that is distributed in September of each year.

Chairman Andrist: I suppose that would be a characteristic number, but not the same number. But do you know what it is based on? **Jerry Hjelmstad:** It's a portion of the fire insurance premium tax that is paid and distributed back. **Chairman Andrist:** I understand that, the payment. **Jerry Hjelmstad:** Or how they determine which amount? **Chairman Andrist:** Yes. **Jerry Hjelmstad:** No, I don't. **Chairman Andrist:** Based on the size of the city? **Renee Loh:** Right, there are all those different components.

Chairman Andrist: Anyone further wants to testify in support, opposition or in neutral for HB 1176.

Closed Hearing on HB 1176.

Motion for Do Pass: Senator Olafson

2nd: Senator Laffen

Roll Call:

Carrier: Senator Andrist

Date: 3/10/2011
Roll Call Vote # 1

2011 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1176

Senate Political Subdivisions Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: ☒ Do Pass ☐ Do Not Pass ☐ Amended ☐ Adopt Amendment

☐ Rerefer to Appropriations ☐ Reconsider

Motion Made By Senator Olafson Seconded By Senator Laffen

Senators	Yes	No	Senators	Yes	No
Chairman John Andrist	✓		Senator Curtis Olafson	✓	
V. Chairman Lonnie Laffen	✓				
Senator Judy Lee	✓		Senator Jim Dotzenrod	✓	

Total (Yes) 5 No 0

Absent 0

Floor Assignment Senator Andrist

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1176: Political Subdivisions Committee (Sen. Andrist, Chairman) recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1176 was placed on the Fourteenth order on the calendar.

2011 TESTIMONY

HB 1176

House Bill: 1176

Good morning, Mr. Chairman and members of the Political Subdivisions Committee. Thank you for your time this morning and for your continued support of the North Dakota firefighters.

Please let me introduce myself; Renee Loh, Executive Director of the North Dakota Firefighter's Association.

Today, the North Dakota Firefighter's Association is here to ask for the repeal of the North Dakota Century Code:

Section 18-04-08: Notification of municipalities entitled to benefits.

"On or before the first day of June each year, the secretary of the North Dakota Firefighter's Association shall notify the auditor of each municipality entitled to the benefits provided in this chapter of the name of the treasurer of each department or separately organized company in good standing in the North Dakota Firefighter's Association".

Please be aware that the State Fire Marshal is mandated to send out the *Certificate of Fire Department Existence* form annually in January of every calendar year to each fire department in North Dakota so that the official records for the state are updated and current in March of each year. The form that is sent out from the State Fire Marshal's office is SFN 11893 and the form can be found on the State Fire Marshal's website under the "forms" link of the website.

Please note on the form SFN 11893 that I gave you; that the information requested on the form inquires about the official name of the department, personnel information, fire apparatus/water supply information and other pertinent information. The completed form is received back at the State Fire Marshal's Office by March 1st. After the State Fire Marshal's office has confirmed the information; a copy of the form is sent to the State Insurance Department and to the North Dakota Firefighter's Association. Any changes of personnel throughout the year are received by the State Fire Marshal's Office and updated on the official records.

The State Insurance Department reviews the *Certification of Fire Department Existence* form and issues a check electronically to the designated bank account of the rural fire department or fire protection district as mandated by Section 18-04-07.

"In a city having a paid fire department, the money must be placed in a fund to be disbursed by the governing body of the municipality in maintaining the fire department. If the municipality has a duly organized and incorporated firefighter's relief association, the money must be disbursed in accordance with section 18-05-04".

"In a city or rural fire protection district having no paid fire department, the money must be paid over to the treasurer of the fire department, or to the treasurer of each separately organized fire company that satisfies the requirements of section 18-04-01 in equal proportions when there is more than one in the municipality or rural fire protection district, upon the written order of the department or companies approved by the governing body of the municipality or rural fire protection district. If the municipality or rural fire protection district has a duly organized and incorporated firefighter's relief association, the amount must be disbursed in accordance with section 18-05-04".

The auditor knows that the money is coming; however, the money is issued right to the fire department account. To review the protocols followed; in the larger cities, the money goes directly to the city general fund; in the smaller rural fire departments, the money goes directly into their designated bank account. Therefore, with Section 18-04-08 of the Century Code, the North Dakota Firefighter's Association replicates the process that is already in place and a directive for the State Fire Marshal's Office to follow.

The North Dakota Firefighter's Association realizes the importance of being fiscally responsible. Therefore, with Section 18-04-08 performed by the State Fire Marshal; it is important that State money is not being wasted on the duplication of services that are already being provided by the State Fire Marshal's Office. Under the current wording of this section, the North Dakota Firefighter's Association and the Fire Marshal's Office would be duplicating sending out forms, processing letters of explanation, postage, and administrative costs. This section of the Century Code has been listed this way since 1901; however, with the advent of the current technology availability, the State Fire Marshal's protocol meets the needs of the Fire Department's reporting of vital and pertinent information.

The North Dakota Firefighter's Association again wants to thank you for your support of the North Dakota firefighters! The Association Members are appreciative and thankful for your service to North Dakota. Please let me know if you have any questions.



CERTIFICATE OF FIRE DEPARTMENT EXISTENCE

OFFICE OF ATTORNEY GENERAL

STATE FIRE MARSHAL

SFN 11893 (12/08)

AGENCY INFORMATION

Official Name of Department or District		<input type="checkbox"/> Fire Protection District <input type="checkbox"/> City Fire Department <input type="checkbox"/> Rural Fire Department	Date of Organization
Organization Mailing Address (Preferably P.O. Box No.)			Organization Telephone Number
Organization Fax Number	Organization E-Mail Address		
City	County	Zip Code	Fire Department ID No.
Does the department or district meet the minimum requirement for Class 9 protection? <input type="checkbox"/> Yes <input type="checkbox"/> No			

PERSONNEL INFORMATION

Name of Fire Chief	Home Telephone Number	Work Telephone Number
Name of Assistant Fire Chief	Home Telephone Number	Work Telephone Number
Name of Secretary/Treasurer	Home Telephone Number	Work Telephone Number
Name of Training Officer	Home Telephone Number	Work Telephone Number
Is fire chief paid/compensated \$50 or more per year (NDCC 18:01:08)? <input type="checkbox"/> Yes <input type="checkbox"/> No		

FIRE APPARATUS/WATER SUPPLY INFORMATION

Number of Engines	Number of Aerials	Number of Tankers	Number of Other Apparatus	Type of Water Supply System <input type="checkbox"/> Hyd <input type="checkbox"/> Tanker/Shuttle <input type="checkbox"/> Other
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FIRE PROTECTION AREA

Have your fire district boundaries changed within the last year? <input type="checkbox"/> Yes <input type="checkbox"/> No (If no, skip this section; if yes, complete this section.)
In your district, list every city and town as well as every township or part served:
If yes, a new map, verified and signed by the auditor, with a letter of explanation must be sent to the state insurance commissioner prior to September 30.

I hereby certify that the above-named Fire Department or District was organized and in existence eight months prior to October 31; that the above statements are true and correct; and, according to Chapter 18-04 of the North Dakota Century Code, it is entitled to receive the Fire Insurance Premium Refunds as provided by law.

Dated this _____ day of _____, Year _____.

City Auditor (for City Department) OR Secretary/Treasurer (for Rural Department or District)	Fire Chief
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After signing form, keep the yellow copy for your records and please send the white copy to the State Fire Marshal, PO Box 1054, Bismarck, ND 58502-1054 (701) 328-5555

(The Fire Marshal's Office will forward a photocopy to the Insurance Department and the North Dakota Firefighter's Association.)

THE DEADLINE FOR FILING THIS FORM IS MARCH 1

House Bill: 1176

Good morning, Mr. Chairman and members of the Political Subdivisions Committee. Thank you for your time this morning and for your continued support of the North Dakota firefighters.

Please let me introduce myself; Renee Loh, Executive Director of the North Dakota Firefighter's Association.

Today, the North Dakota Firefighter's Association is here to ask for the repeal of the North Dakota Century Code:

Section 18-04-08: Notification of municipalities entitled to benefits.

"On or before the first day of June each year, the secretary of the North Dakota Firefighter's Association shall notify the auditor of each municipality entitled to the benefits provided in this chapter of the name of the treasurer of each department or separately organized company in good standing in the North Dakota Firefighter's Association".

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The State Insurance Department reviews the *Certification of Fire Department Existence* form and issues a check electronically to the designated bank account of the rural fire department or fire protection district as mandated by Section 18-04-07.

"In a city having a paid fire department, the money must be placed in a fund to be disbursed by the governing body of the municipality in maintaining the fire department. If the municipality has a duly organized and incorporated firefighter's relief association, the money must be disbursed in accordance with section 18-05-04".

"In a city or rural fire protection district having no paid fire department, the money must be paid over to the treasurer of the fire department, or to the treasurer of each separately organized fire company that satisfies the requirements of section 18-04-01 in equal proportions when there is more than one in the municipality or rural fire protection district, upon the written order of the department or companies approved by the governing body of the municipality or rural fire protection district. If the municipality or rural fire protection district has a duly organized and incorporated firefighter's relief association, the amount must be disbursed in accordance with section 18-05-04".

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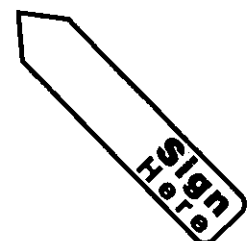
18-04-05. Amount due cities, rural fire protection districts, or rural fire departments - Payments by insurance commissioner. The insurance commissioner shall compute the amounts due to the city fire departments, certified rural fire departments, or fire protection districts entitled to benefits under this chapter on or before October first of each year. The insurance commissioner shall allocate one-half of the biennial legislative appropriation for distribution under this section to each eligible city not within a fire protection district, each rural fire protection district organized under this title, and each rural fire department certified by the state fire marshal, and pay the amount allocated in September of each year. The allocation must be made in proportion to the amount of insurance company premiums received by insurance companies pursuant to section 26.1-03-17 for policies for fire, allied lines, homeowner's multiple peril, farmowner's multiple peril, commercial multiple peril, and crop hail insurance on property within the city, rural fire protection district, or area served by the certified rural fire department to the total of those premiums for those policies in the state.

18-04-06. Office of management and budget to issue warrants on state treasurer for benefits. Repealed by S.L. 1971, ch. 230, § 3.

18-04-07. Disbursement of fund by city auditor. Moneys received by the city auditor under the provisions of this chapter must be disbursed as follows:

1. In a city having a paid fire department, the money must be placed in a fund to be disbursed by the governing body of the municipality in maintaining the fire department. If the municipality has a duly organized and incorporated firefighters relief association, the money must be disbursed in accordance with section 18-05-04.
2. In a city or rural fire protection district having no paid fire department, the money must be paid over to the treasurer of the fire department, or to the treasurer of each separately organized fire company that satisfies the requirements of section 18-04-01 in equal proportions when there is more than one in the municipality or rural fire protection district, upon the written order of the department or companies approved by the governing body of the municipality or rural fire protection district. If the municipality or rural fire protection district has a duly organized and incorporated firefighters relief association, the amount must be disbursed in accordance with section 18-05-04.
3. For the purpose of this section, a nonpaid or volunteer fire department is any department in which less than fifty percent of the personnel of the department are full-time regularly salaried firefighters. A volunteer firefighter is a firefighter who does not receive a regular monthly salary though the firefighter may receive compensation for each fire call the firefighter responds to.

18-04-08. Notification of municipalities entitled to benefits. On or before the first day of June in each year, the secretary of the North Dakota firefighter's association shall notify the auditor of each municipality entitled to the benefits provided in this chapter of the name of the treasurer of each department or separately organized company in good standing in the North Dakota firefighter's association.



**CERTIFICATE OF FIRE DEPARTMENT EXISTENCE**

OFFICE OF ATTORNEY GENERAL

STATE FIRE MARSHAL

SFN 11893 (12/08)

AGENCY INFORMATION

Official Name of Department or District		<input type="checkbox"/> Fire Protection District <input type="checkbox"/> City Fire Department <input type="checkbox"/> Rural Fire Department	Date of Organization
Organization Mailing Address (Preferably P.O. Box No.)			Organization Telephone Number
Organization Fax Number	Organization E-Mail Address		
City	County	Zip Code	Fire Department ID No.
Does the department or district meet the minimum requirement for Class 9 protection? <input type="checkbox"/> Yes <input type="checkbox"/> No			

PERSONNEL INFORMATION

Name of Fire Chief	Home Telephone Number	Work Telephone Number
Name of Assistant Fire Chief	Home Telephone Number	Work Telephone Number
Name of Secretary/Treasurer	Home Telephone Number	Work Telephone Number
Name of Training Officer	Home Telephone Number	Work Telephone Number
Fire chief paid/compensated \$50 or more per year (NDCC 18-01:08)? <input type="checkbox"/> Yes <input type="checkbox"/> No		

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Number of Engines	Number of Aerials	Number of Tankers	Number of Other Apparatus	Type of Water Supply System <input type="checkbox"/> Hyd <input type="checkbox"/> Tanker/Shuttle <input type="checkbox"/> Other
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In your district, list every city and town as well as every township or part served:
If yes, a new map, verified and signed by the auditor, with a letter of explanation must be sent to the state insurance commissioner prior to September 30.

I hereby certify that the above-named Fire Department or District was organized and in existence eight months prior to October 31; that the above statements are true and correct; and, according to Chapter 18-04 of the North Dakota Century Code, it is entitled to receive the Fire Insurance Premium Refunds as provided by law.

Dated this _____ day of _____, Year _____.

City Auditor (for City Department) OR Secretary/Treasurer (for Rural Department or District)	Fire Chief
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After signing form, keep the yellow copy for your records and please send the white copy to the State Fire Marshal, PO Box 1054, Bismarck, ND 58502-1054 (701) 328-5555
(The Fire Marshal's Office will forward a photocopy to the Insurance Department and the North Dakota Firefighter's Association.)

THE DEADLINE FOR FILING THIS FORM IS MARCH 1



North Dakota
Insurance Department
Adam W. Hamm, Commissioner

September 29, 2010

To: Fire District Secretary/Treasurer

Re: Fire District Payment for District #3841 - NORTHWOOD F/P DISTRICT

North Dakota law provides that properly organized fire districts receive financial assistance in the form of an annual payment administered by the Insurance Department. This payment reflects a portion of the insurance premium tax collected from the sale of certain insurance products sold within each fire district.

The 61st Legislative Assembly began on January 6, 2009, and appropriated \$6,200,000 for the purpose of making payments to fire districts for the biennium beginning July 1, 2009, and ending June 30, 2011 (HB 1010). The \$6,200,000 (\$3,100,000 per year) is allocated based on the relationship of gross premium reported in the previous year, for each fire district, to the total gross premium reported in the previous year statewide. The formula used to determine this annual allocation for Fire District X is as follows:

$(\text{Gross Premium reported for Fire District X} \div \text{Statewide Gross Premium}) \times \$3,100,000$

The Gross premium reported for your fire district in 2009 was \$1,301,916. This premium amount accounted for .3708% of the total statewide gross premium of \$351,089,411. Your payment in 2010 then is .3708% of the \$3,100,000, or \$11,495.48.

$(\$1,301,916 \div \$351,089,411) \times \$3,100,000 = \$11,495.48$

Enclosed is a check for your share of the insurance premium tax distribution to the fire districts. Actual dollar amounts may differ slightly, due to rounding.

As always, the Insurance Department continues to appreciate the important service your organization provides. If you have any questions concerning this year's payment, please call Shelly Weisz at (701) 328-2931, or Larry Martin (701) 328-2930.

Sincerely,

A handwritten signature in black ink, appearing to be "A. Hamm".

Adam W. Hamm
Commissioner of Insurance

AWH:bp

Check No. 51915823

Invoice Number	Invoice Date	Voucher ID	Gross Amount	Discount Taken	Paid Amount
fd pmt 2010	September/22/2010	00010376	11,495.47	0.00	11,495.47

Check Number	Date	Total Gross Amount	Total Discounts	Total Paid Amount
51915823	September/27/2010	\$11,495.47	\$0.00	\$11,495.47