

Minnesota Department of Public Safety



Fire Safety Account *Financial Report for Fiscal Year 2009*



Overview of Fire Safety Account – Fiscal Year 2009

The 2006 Legislature established a fire safety insurance surcharge on homeowner and certain commercial insurance policies. The fire safety account was created to hold the revenues from this surcharge. The bill abolished the fire insurance tax which had been in law for decades, the proceeds of which went into the state general fund.

The bill created a Fire Service Advisory Committee to make recommendations to the Commissioner of Public Safety on how to spend the money in the account. These revenues may only be spent (1) for the Minnesota Board of Firefighter Training and Education, (2) for programs and staffing for the State Fire Marshal Division, and (3) for fire-related regional response team programs and any other fire service programs that have the potential for statewide impact. The committee is made up of representatives of the state fire service associations, local units of government and the insurance field.

The Department of Revenue estimated collections into this account for fiscal year 2009 at \$10,500,000. Actual revenues were \$12,471,478 when the fiscal year accounts were closed. Insurance companies submit their surcharge collections on a quarterly basis, on or before May 15, August 15, November 15 and February 15 each year. The first collections into this account were due on or before November 15, 2007. To replace the previous tax which went into the state general fund, a transfer is made each year back to the general fund. \$4,268,000 was transferred in state fiscal year 2009 as spelled out in the law.

The transfer to the MN Board of Firefighter Training & Education provided funding for administration of the board and programs, as well as grants to local fire departments for training. The transfer to the State Fire Marshal provided funding for staff and programs of the division.

The Fire Service Advisory Committee was formed and began meeting in September 2006 to establish procedures and criteria for making their recommendations to the commissioner on how to spend the money. This committee continues to meet on a quarterly basis to review programs and forward biennial budget recommendations to the commissioner.

Fiscal year 2009 fire safety account activity:

Balance Forward from FY 2008	\$ 1,738,879	
Collections from Fire Safety Premiums	\$12,471,478	
Resources available		\$14,210,357
Transfer to General Fund	\$ 4,268,000	
Transfer to State Fire Marshal	\$ 4,387,250	
Transfer to Board of Firefighter Training	\$ 1,083,629	
Total Transfers		\$ 9,738,879
Account Balance end of FY 2009		\$ 4,471,478