

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 622

Short Title: Fire Ins. Fund Reimbursements.

(Public)

Sponsors: Representatives Hasty; Beard and Bowman.

Referred to: Commerce.

March 15, 1989

A BILL TO BE ENTITLED

AN ACT TO REIMBURSE LOCAL FIRE DEPARTMENTS FOR RESPONSES TO
INCIDENCES ON STATE PROPERTY.

Whereas, the State Property Fire Insurance Fund (" Fund") has safeguarded the State's interests in State-owned property through responsible risk and financial management; and

Whereas, recent losses and expanded coverages have increased demand on Fund monies; and

Whereas, the transfer of one million four hundred fifty thousand dollars (\$1,450,000) per year to local governments for fire protection of State-owned property is seriously depleting the reserves of the Fund; and

Whereas, in 1977 the Legislative Research Commission in its Report on Tax-Exempt State-Owned Property recommended that the General Assembly not change the tax-exempt status afforded State-owned property under the State Constitution and not make payments in lieu of taxes to local government for local government services, including fire protection; and

Whereas, the 1983 General Assembly enacted a special provision in the current operations appropriations act to provide for the transfer referred to above; and

Whereas, the General Assembly recognizes the need for resources and equipment of fire departments that protect State-owned property and desires to compensate such fire departments for actual responses; and

Whereas, the Fund has actually purchased fire fighting equipment for local fire departments; Now, therefore,

The General Assembly of North Carolina enacts:

1 Section 1. G.S. 58-91.4 is repealed.

2 Sec. 2. Article 21 of Chapter 58 of the General Statutes is amended by
3 adding a new section to read:

4 **"§ 58-194.5. Reimbursement to fire departments for responses to incidents on**
5 **State-owned property.**

6 (a) The Commissioner shall adopt rules to provide for payment of monies from
7 the Fund to fire departments to reimburse them for responses to perils or incidents that
8 occur on property insured by the Fund.

9 (b) In promulgating such rules, the Commissioner shall consider, but not be
10 limited to considering, the following criteria:

11 (1) Response costs incurred by a responding fire department;

12 (2) Loss of or damage to firefighting equipment during the response that is
13 not caused by the negligence of any person;

14 (3) The nature of the peril or incident to which a fire department
15 responded; and

16 (4) The number of locations and the type of occupancy of the property
17 protected."

18 Sec. 3. This act shall become effective July 1, 1989.