

FIRE SUPPRESSION FUNDING OPTIONS  
SUMMARY INFORMATION

Funding Proposal	How	Pros	Cons
Continue with supplemental appropriations	Let funding statute expire; cover costs through supplemental appropriations	Status Quo	DNRC may not be able to cash flow fire season, therefore creating the need for a special session to get the authority needed.
Appropriate funding through HB 2 – based on average state costs.	Funding statute would sunset, insert line item into HB 2 during appropriations process	Simple, based on average state costs.	Risk that line item will not remain in budget based on GF status. May not prevent supplemental appropriation. HB 2 provides on time source of authority.
Utilize Fire Suppression Fund	Remove sunset from statute	Provides an on-going source of funding for fire suppression	Requires an annual general fund transfer to bring the account up to \$40 million. Suppression costs above \$40 million could require supplemental
Modify Fire Suppression Fund	Remove sunset from statute and decrease the upper limit in the account to \$25 million	Provides an on-going source of funding for fire suppression	Requires an annual general fund transfer to bring the account up to \$25 million. Suppression costs above \$25 million could require supplemental
Utilize the rainy day fund concept	Develop legislation that would set aside a portion of the ending fund balance for fire costs. That funding could be deposited into the current suppression fund.	Provides funding based on a percentage of the ending fund balance. Could provide enough for cash flow purposes.	Direct reduction of general fund ending balance.
Modify Fire Suppression Fund – Conveyance Fee	Develop legislation that would attach a fire suppression fee when lands within the wildland urban interface or nonincorporated areas are transferred from one party to another.	Fee applies directly to home owners in the WUI.	Implementation could be difficult. Would need to be added to closing documents.
Extended the fire protection fee to include a fire suppression fee.	Change fee statute	Fee applies directly to those in the direct protection zone. (Predominantly Western MT)	Does not apply to those landowners who receive DNRC assistance through mutual aid compacts. (Predominantly Eastern MT)
Establish a system where landowners directly pay for a portion of the suppression costs.	Develop legislation that sets a formula for landowner payments to cover the cost of fire suppression.	Directly charges those protected.	Difficult to implement. May affect insurance industry. How are public lands treated?

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Shift a portion of preparedness and suppression to those groups responsible for increased suppression costs. (2004)	Statute Changes. 40% from general fund, 20% per acre fee on at risk land, 20% fee on structures on at risk land, and 20% from other entities.	Spreads the payment over the various sectors in a proportion to their benefit.	“Other entities” were not defined in the 2004 study and would need to be defined.
Maintain GF as main funding source but shift a portion of preparedness and suppression to those groups responsible for increased suppression costs. (2004)	Statute Changes. 60% from general fund, 15% per acre fee on at risk land, 15% fee on structures on at risk land, and 10% from other entities.	Maintains the status quo on land owners in the direct protection areas.	Overall reduces the burden of additional assessments on property owners and other direct beneficiaries of fire protection.
Divert insurance taxes from the general fund into the fire suppression fund. (2004)	Statute changes.	Provides a non general fund source of funding.	The general fund will be reduced by approx. 3.4% or \$58 million per 2007 estimates.
Divert \$10 million of insurance taxes from the general fund into the fire suppression fund.	Remove sunset on current fund, change funding structure.	Provides a non general fund source of funding.	The general fund will be reduced by \$10 million.