

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 78

(Chair, Judiciary Committee)(By Request - Departmental
- State Police)

Judiciary

Finance

State Fire Marshal - Reporting Requirements - Repeal

This departmental bill repeals the requirement that all chimney fires that result in a response by the State Fire Marshal or the local authority with jurisdiction over fire investigations be reported to the State Fire Marshal. The requirement for the State Fire Marshal to establish and maintain a repository of those reports is also repealed. In addition, the bill repeals the requirement that an insurer doing business in the State must report fire losses in excess of \$5,000 to the State Fire Marshal within 10 days after the adjustment of a loss from the fire.

Fiscal Summary

State Effect: Although the bill likely results in some efficiencies, the bill is procedural in nature and does not materially affect State operations or finances.

Local Effect: Although the bill likely results in some efficiencies, the bill is procedural in nature and does not materially affect local government operations or finances.

Small Business Effect: The Department of State Police (DSP) has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Current Law: On determining that a chimney contributed to causing a fire, the State Fire Marshal or the local authority with jurisdiction over fire investigations must file with the State Fire Marshal a report identifying the chimney as (1) a lined, masonry chimney; (2) an

unlined, masonry chimney; or (3) a prefabricated, metal chimney. The State Fire Marshal must establish and maintain a repository of those reports.

Within 10 days after the adjustment of a loss from a fire in excess of \$5,000 in damages sustained by an insurer doing business in the State, the insurer must report to the State Fire Marshal, on a specified form, the information that the State Fire Marshal considers necessary. The required report is in addition to any information required by the Insurance Commissioner.

Background: The State Fire Marshal, which is an agency within DSP, is responsible for statewide fire, arson, and explosive investigations, enforcement of the State Fire Prevention Code, coordination of fire prevention efforts, and the collection of fire incident data. A Deputy State Fire Marshal or the Fire Marshal from a local jurisdiction is notified by the local fire department to respond on every incendiary or suspicious fire, every fire resulting in loss of life, every fire resulting in high dollar loss, and other fires where the cause or origin is not immediately clear to the local fire department. The Fire Marshal reports to the fire incident scene and conducts a fire cause and origin investigation.

The State Fire Marshal advises that the reporting of chimney fires and insurer losses in excess of \$5,000 are antiquated, duplicative, and unnecessary. According to the State Fire Marshal, every fire department in the State participates in the Maryland Fire Incident Reporting System (MFIRS). MFIRS is updated regularly and provides statistical data on every fire response in the State, including data on the number and severity of chimney fires. Furthermore, the State Fire Marshal advises that many chimney fires determined to be clearly accidental by the responding fire department do not require a response by the Fire Marshal and, therefore, do not get reported under the provisions repealed by this bill, resulting in incomplete and meaningless data.

The State Fire Marshal also advises that the requirement that insurance companies report every fire loss adjustment in excess of \$5,000 rarely occurs within 10 days and serves no real purpose. The State Fire Marshal simply has no need to be notified of every fire insurance claim adjustment.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Washington County, Department of State Police, Maryland Insurance Administration, Department of Legislative Services

Fiscal Note History: First Reader - January 21, 2016
md/lgc

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: State Fire Marshall – Reporting Requirements – Repeal

BILL NUMBER: HB 78

PREPARED BY: Thomas Williams, Director Government Affairs, MSP

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS