

By: Thames

To: Finance

SENATE BILL NO. 3218

1 AN ACT TO AMEND SECTION 17-23-1, MISSISSIPPI CODE OF 1972, TO
2 ALLOW THE USE OF THE RURAL FIRE TRUCK ACQUISITION FUND FOR THE
3 PURCHASE OF CERTAIN USED OR RECONDITIONED FIRE TRUCKS; TO
4 AUTHORIZE COUNTIES AND MUNICIPALITIES TO ISSUE BONDS OR BORROW
5 FUNDS TO BE PAID BACK OVER A PERIOD OF 10 YEARS IN ORDER TO BE
6 ELIGIBLE TO RECEIVE MONIES UNDER RURAL FIRE TRUCK ACQUISITION ACT;
7 TO AMEND SECTION 27-65-111, MISSISSIPPI CODE OF 1972, TO EXEMPT
8 FROM TAXATION SALES OF BUILDING MATERIALS AND OFFICE SUPPLIES TO
9 COUNTY VOLUNTEER FIRE DEPARTMENTS; AND FOR RELATED PURPOSES.

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

11 SECTION 1. Section 17-23-1, Mississippi Code of 1972, is
12 amended as follows:[JMR1]

13 17-23-1. (1) There is established a rural fire truck
14 acquisition assistance program to be administered by the
15 Department of Insurance for the purpose of assisting counties and
16 municipalities in the acquisition of fire trucks.

17 (2) There is created in the State Treasury a special fund to
18 be designated as the "Rural Fire Truck Fund." The Legislature may
19 appropriate an amount not to exceed Two Million Dollars
20 (\$2,000,000.00), or that amount necessary to fulfill the
21 obligations created under this section by the Department of
22 Insurance, from the State General Fund to such special fund, which
23 sum shall be added to the remainder of the money transferred on
24 July 1, 1995, and during the 1996 Regular Session to the Rural
25 Fire Truck Fund. The appropriation may be made during the 1999
26 Regular Session. Such monies as are deposited into the fund under
27 the provisions of this section may be available after the 1999
28 Regular Session and such monies must be obligated by December 31,
29 2000, upon legislative appropriation, and upon requisition

30 therefor by the Commissioner of Insurance, in accordance with the
31 provisions of this section. Unexpended amounts remaining in the
32 fund at the end of a fiscal year shall not lapse into the State
33 General Fund, and any interest earned on amounts in the fund shall
34 be deposited to the credit of the fund. It is the intent of the
35 Legislature that the Department of Insurance continue to accept
36 applications from the counties for fire trucks from the additional
37 funds authorized by this subsection. The Department of Insurance
38 shall include these funds in the fiscal years 1999 and 2000 budget
39 requests.

40 (3) (a) A county that meets the requirements provided
41 herein may receive an amount not to exceed Two Hundred Thousand
42 Dollars (\$200,000.00) as provided in subparagraphs (i), (ii),
43 (iii) and (iv) of this paragraph, and such amount shall be divided
44 equally with not more than Fifty Thousand Dollars (\$50,000.00) per
45 fire truck. Monies distributed under this chapter shall be
46 expended only for the purchase of new fire trucks which shall
47 comply with the National Fire Protection Association (NFPA)
48 standards in the 1900 series and for the purchase of used or
49 reconditioned fire trucks which shall comply with the standards
50 adopted by the Department of Insurance.

51 (i) Any county that has not applied for a fire
52 truck under this section is eligible to submit applications for
53 four (4) fire trucks at not more than Fifty Thousand Dollars
54 (\$50,000.00) per truck or a total of Two Hundred Thousand Dollars
55 (\$200,000.00).

56 (ii) Any county that has received one (1) fire
57 truck under this section is eligible to submit applications for
58 three (3) fire trucks at not more than Fifty Thousand Dollars
59 (\$50,000.00) per truck or a total of One Hundred Fifty Thousand
60 Dollars (\$150,000.00).

61 (iii) Any county that has received two (2) fire
62 trucks under this section is eligible to submit an application for
63 two (2) fire trucks or a total of not more than One Hundred
64 Thousand Dollars (\$100,000.00).

65 (iv) Any county that has received three (3) fire
66 trucks under this section is eligible to submit an application for

67 one (1) fire truck or a total of not more than Fifty Thousand
68 Dollars (\$50,000.00).

69 (b) The board of supervisors of the county shall submit
70 its request for the receipt of monies to the Department of
71 Insurance. A committee composed of the Commissioner of Insurance,
72 the State Fire Coordinator, the Director of the Rating Bureau and
73 the Director of the State Fire Academy shall review the requests
74 by the boards of supervisors and shall determine whether the
75 county or municipality for which the board of supervisors has
76 requested a truck meets the requirements of eligibility under this
77 chapter.

78 (c) To be eligible to receive monies under this
79 chapter:

80 (i) A county or municipality must pledge to set
81 aside or dedicate each year as matching funds, for a period not to
82 extend over ten (10) years, local funds in an amount equal to or
83 not less than one-tenth (1/10) of the amount of monies for which
84 it is requesting distribution from the Rural Fire Truck Fund,
85 which pledged monies may be derived from local ad valorem tax
86 authorized by law or from any other funds available to the county
87 or municipality, except for those funds received by municipalities
88 or counties from the Municipal Fire Protection Fund or the County
89 Volunteer Fire Department Fund, as defined in Sections 83-1-37 and
90 83-1-39.

91 (ii) A municipality must provide adequate
92 documentation of its contract with the county that requires the
93 municipality to provide fire protection in rural areas. The term
94 "rural areas" means any area within the county located outside the
95 boundaries of an incorporated municipality or any incorporated
96 municipality with a population of two thousand five hundred
97 (2,500) or less.

98 (d) The Department of Insurance shall maintain an
99 accurate record of all monies distributed to counties and

100 municipalities and the number of fire trucks purchased and the
101 cost for each fire truck, such records to be kept separate from
102 other records of the Department of Insurance; notify counties and
103 municipalities of the rural fire truck acquisition assistance
104 program and the requirements for them to become eligible to
105 participate; adopt and promulgate such rules and regulations as
106 may be necessary and desirable to implement the provisions of this
107 chapter; and file with the Legislature on or before January 2,
108 1999, and July 1, 1999, a report detailing how monies made
109 available under this chapter were distributed and spent during the
110 preceding portion of the fiscal year in each county and
111 municipality, the number of fire trucks purchased, the counties
112 and municipalities making such purchases and the cost of each fire
113 truck purchased.

114 (e) A county or municipality may issue bonds or borrow funds
115 to be paid back over a period of ten (10) years in order to be
116 eligible to receive monies under this chapter.

117 SECTION 2. Section 27-65-111, Mississippi Code of 1972, is
118 amended as follows:[JMR2]

119 27-65-111. The exemptions from the provisions of this
120 chapter which are not industrial, agricultural or governmental, or
121 which do not relate to utilities or taxes, or which are not
122 properly classified as one of the exemption classifications of
123 this chapter, shall be confined to persons or property exempted by
124 this section or by the Constitution of the United States or the
125 State of Mississippi. No exemptions as now provided by any other
126 section, except the classified exemption sections of this chapter
127 set forth herein, shall be valid as against the tax herein levied.
128 Any subsequent exemption from the tax levied hereunder, except as
129 indicated above, shall be provided by amendments to this section.

130 No exemption provided in this section shall apply to taxes
131 levied by Section 27-65-15 or 27-65-21, Mississippi Code of 1972.

132 The tax levied by this chapter shall not apply to the

133 following:

134 (a) Sales of tangible personal property and services to
135 hospitals or infirmaries owned and operated by a corporation or
136 association in which no part of the net earnings inures to the
137 benefit of any private shareholder, group or individual, and which
138 are subject to and governed by Sections 41-7-123 through 41-7-127.

139 Only sales of tangible personal property or services which
140 are ordinary and necessary to the operation of such hospitals and
141 infirmaries are exempted from tax.

142 (b) Sales of daily or weekly newspapers, and
143 periodicals or publications of scientific, literary or educational
144 organizations exempt from federal income taxation under Section
145 501(c)(3) of the Internal Revenue Code of 1954, as it exists as of
146 March 31, 1975, and subscription sales of all magazines.

147 (c) Sales of coffins, caskets and other materials used
148 in the preparation of human bodies for burial.

149 (d) Sales of tangible personal property for immediate
150 export to a foreign country.

151 (e) Sales of tangible personal property to an
152 orphanage, old men's or ladies' home, supported wholly or in part
153 by a religious denomination, fraternal nonprofit organization or
154 other nonprofit organization.

155 (f) Sales of tangible personal property, labor or
156 services taxable under Sections 27-65-17, 27-65-19, and 27-65-23,
157 to a YMCA, YWCA, a Boys' or Girls' Club owned and operated by a
158 corporation or association in which no part of the net earnings
159 inures to the benefit of any private shareholder, group or
160 individual.

161 (g) Sales to elementary and secondary grade schools,
162 junior and senior colleges owned and operated by a corporation or
163 association in which no part of the net earnings inures to the
164 benefit of any private shareholder, group or individual, and which
165 are exempt from state income taxation, provided that this

166 exemption does not apply to sales of property or services which
167 are not to be used in the ordinary operation of the school, or
168 which are to be resold to the students or the public.

169 (h) The gross proceeds of retail sales and the use or
170 consumption in this state of drugs and medicines:

171 (i) Prescribed for the treatment of a human being
172 by a person authorized to prescribe the medicines, and dispensed
173 or prescription filled by a registered pharmacist in accordance
174 with law; or

175 (ii) Furnished by a licensed physician, surgeon,
176 dentist or podiatrist to his own patient for treatment of the
177 patient; or

178 (iii) Furnished by a hospital for treatment of any
179 person pursuant to the order of a licensed physician, surgeon,
180 dentist or podiatrist; or

181 (iv) Sold to a licensed physician, surgeon,
182 podiatrist, dentist or hospital for the treatment of a human
183 being; or

184 (v) Sold to this state or any political
185 subdivision or municipal corporation thereof, for use in the
186 treatment of a human being or furnished for the treatment of a
187 human being by a medical facility or clinic maintained by this
188 state or any political subdivision or municipal corporation
189 thereof.

190 "Medicines," as used in this paragraph, shall mean and
191 include any substance or preparation intended for use by external
192 or internal application to the human body in the diagnosis, cure,
193 mitigation, treatment or prevention of disease and which is
194 commonly recognized as a substance or preparation intended for
195 such use; provided that "medicines" do not include any auditory,
196 prosthetic, ophthalmic or ocular device or appliance, any dentures
197 or parts thereof or any artificial limbs or their replacement
198 parts, articles which are in the nature of splints, bandages,

199 pads, compresses, supports, dressings, instruments, apparatus,
200 contrivances, appliances, devices or other mechanical, electronic,
201 optical or physical equipment or article or the component parts
202 and accessories thereof, or any alcoholic beverage or any other
203 drug or medicine not commonly referred to as a prescription drug.

204 Notwithstanding the preceding sentence of this subsection,
205 "medicines" as used in this subsection, shall mean and include
206 sutures, whether or not permanently implanted, bone screws, bone
207 pins, pacemakers and other articles permanently implanted in the
208 human body to assist the functioning of any natural organ, artery,
209 vein or limb and which remain or dissolve in the body.

210 "Hospital," as used in this paragraph, shall have the meaning
211 ascribed to it in Section 41-9-3, Mississippi Code of 1972.

212 Insulin furnished by a registered pharmacist to a person for
213 treatment of diabetes as directed by a physician shall be deemed
214 to be dispensed on prescription within the meaning of this
215 subsection.

216 (i) Retail sales of automobiles, trucks and
217 truck-tractors if exported from this state within forty-eight (48)
218 hours and registered and first used in another state.

219 (j) Sales of tangible personal property or services to
220 the Salvation Army and the Muscular Dystrophy Association, Inc.

221 (k) From July 1, 1985, through December 31, 1992,
222 retail sales of "alcohol blended fuel" as such term is defined in
223 Section 75-55-5. The gasoline-alcohol blend or the straight
224 alcohol eligible for this exemption shall not contain alcohol
225 distilled outside the State of Mississippi.

226 (l) Sales of tangible personal property or services to
227 the Institute for Technology Development.

228 (m) The gross proceeds of retail sales of food and
229 drink for human consumption made through vending machines serviced
230 by full line vendors from and not connected with other taxable
231 businesses.

232 (n) The gross proceeds of sales of motor fuel.

233 (o) Retail sales of food for human consumption
234 purchased with food stamps issued by the United States Department
235 of Agriculture, or other federal agency, from and after October 1,
236 1987, or from and after the expiration of any waiver granted
237 pursuant to federal law, the effect of which waiver is to permit
238 the collection by the state of tax on such retail sales of food
239 for human consumption purchased with food stamps.

240 (p) Sales of cookies for human consumption by the Girl
241 Scouts of America no part of the net earnings from which sales
242 inures to the benefit of any private group or individual.

243 (q) Gifts or sales of tangible personal property or
244 services to public or private nonprofit museums of art.

245 (r) Sales of tangible personal property or services to
246 alumni associations of state-supported colleges or universities.

247 (s) Sales of tangible personal property or services to
248 chapters of the National Association of Junior Auxiliaries, Inc.

249 (t) Sales of tangible personal property or services to
250 domestic violence shelters which qualify for state funding under
251 Sections 93-21-101 through 93-21-113.

252 (u) Sales of tangible personal property or services to
253 the National Multiple Sclerosis Society, Mississippi Chapter.

254 (v) Retail sales of food for human consumption
255 purchased with food instruments issued the Mississippi Band of
256 Choctaw Indians under the Women, Infants and Children Program
257 (WIC) funded by the United States Department of Agriculture.

258 (w) Sales of tangible personal property or services to
259 a private company, as defined in Section 57-61-5, which is making
260 such purchases with proceeds of bonds issued under Section 57-61-1
261 et seq., the Mississippi Business Investment Act.

262 (x) The gross collections from the operation of
263 self-service, coin-operated car washing equipment and sales of the
264 service of washing motor vehicles with portable high pressure

265 washing equipment on the premises of the customer.

266 (z) Sales of building materials and office supplies to
267 county volunteer fire departments.

268 SECTION 3. This act shall take effect and be in force from
269 and after July 1, 2000.