

By: Senator(s) Thames

To: Finance

SENATE BILL NO. 2102

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 THE RURAL FIRE TRUCK ACQUISITION  
 7 ACT; TO AMEND SECTION 27-65-111, MISSISSIPPI CODE OF 1972, TO  
 8 EXEMPT FROM TAXATION SALES OF BUILDING MATERIALS AND OFFICE  
 9 SUPPLIES TO COUNTY VOLUNTEER FIRE DEPARTMENTS; AND FOR RELATED  
 10 PURPOSES.

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

12 SECTION 1. Section 17-23-1, Mississippi Code of 1972, is  
 13 amended as follows:

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

18 (2) There is created in the State Treasury a special fund to  
 19 be designated as the "Rural Fire Truck Fund." The Legislature may  
 20 appropriate an amount not to exceed Two Million Dollars  
 21 (\$2,000,000.00), or that amount necessary to fulfill the  
 22 obligations created under this section by the Department of  
 23 Insurance, from the State General Fund to such special fund, which  
 24 sum shall be added to the remainder of the money transferred on  
 25 July 1, 1995, and during the 1996 Regular Session to the Rural  
 26 Fire Truck Fund. The appropriation may be made during the 1999  
 27 Regular Session. Such monies as are deposited into the fund under  
 28 the provisions of this section may be available after the 1999  
 29 Regular Session and such monies must be obligated by December 31,  
 30 2000, upon legislative appropriation, and upon requisition  
 31 therefor by the Commissioner of Insurance, in accordance with the



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

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

52 (i) Any county that has not applied for a fire  
53 truck under this section is eligible to submit applications for  
54 four (4) fire trucks at not more than Fifty Thousand Dollars  
55 (\$50,000.00) per truck or a total of Two Hundred Thousand Dollars  
56 (\$200,000.00).

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

62 (iii) Any county that has received two (2) fire  
63 trucks under this section is eligible to submit an application for



64 two (2) fire trucks or a total of not more than One Hundred  
65 Thousand Dollars (\$100,000.00).

66 (iv) Any county that has received three (3) fire  
67 trucks under this section is eligible to submit an application for  
68 one (1) fire truck or a total of not more than Fifty Thousand  
69 Dollars (\$50,000.00).

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

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

81 (i) A county or municipality must pledge to set  
82 aside or dedicate each year as matching funds, for a period not to  
83 extend over ten (10) years, local funds in an amount equal to or  
84 not less than one-tenth (1/10) of the amount of monies for which  
85 it is requesting distribution from the Rural Fire Truck Fund,  
86 which pledged monies may be derived from local ad valorem tax  
87 authorized by law or from any other funds available to the county  
88 or municipality, except for those funds received by municipalities  
89 or counties from the Municipal Fire Protection Fund or the County  
90 Volunteer Fire Department Fund, as defined in Sections 83-1-37 and  
91 83-1-39.

92 (ii) A municipality must provide adequate  
93 documentation of its contract with the county that requires the  
94 municipality to provide fire protection in rural areas. The term  
95 "rural areas" means any area within the county located outside the  
96 boundaries of an incorporated municipality or any incorporated



97 municipality with a population of two thousand five hundred  
98 (2,500) or less.

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

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

118 SECTION 2. Section 27-65-111, Mississippi Code of 1972, is  
119 amended as follows:

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



129 Any subsequent exemption from the tax levied hereunder, except as  
130 indicated above, shall be provided by amendments to this section.

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

133 The tax levied by this chapter shall not apply to the  
134 following:

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

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

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

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

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

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

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



162           (g) Sales to elementary and secondary grade schools,  
163 junior and senior colleges owned and operated by a corporation or  
164 association in which no part of the net earnings inures to the  
165 benefit of any private shareholder, group or individual, and which  
166 are exempt from state income taxation, provided that this  
167 exemption does not apply to sales of property or services which  
168 are not to be used in the ordinary operation of the school, or  
169 which are to be resold to the students or the public.

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

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

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

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

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

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

191           "Medicines," as used in this paragraph (h), shall mean and  
192 include any substance or preparation intended for use by external  
193 or internal application to the human body in the diagnosis, cure,  
194 mitigation, treatment or prevention of disease and which is



195 commonly recognized as a substance or preparation intended for  
196 such use; provided that "medicines" do not include any auditory,  
197 prosthetic, ophthalmic or ocular device or appliance, any dentures  
198 or parts thereof or any artificial limbs or their replacement  
199 parts, articles which are in the nature of splints, bandages,  
200 pads, compresses, supports, dressings, instruments, apparatus,  
201 contrivances, appliances, devices or other mechanical, electronic,  
202 optical or physical equipment or article or the component parts  
203 and accessories thereof, or any alcoholic beverage or any other  
204 drug or medicine not commonly referred to as a prescription drug.

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

211 "Hospital," as used in this paragraph (h), shall have the  
212 meaning ascribed to it in Section 41-9-3, Mississippi Code of  
213 1972.

214 Insulin furnished by a registered pharmacist to a person for  
215 treatment of diabetes as directed by a physician shall be deemed  
216 to be dispensed on prescription within the meaning of this  
217 paragraph (h).

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

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

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



228           (1) Sales of tangible personal property or services to  
229 the Institute for Technology Development.

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

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

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

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

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

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

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

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

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

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





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

264           (x) The gross collections from the operation of  
265 self-service, coin-operated car washing equipment and sales of the  
266 service of washing motor vehicles with portable high pressure  
267 washing equipment on the premises of the customer.

268           (y) Sales of building materials and office supplies to  
269 county volunteer fire departments.

270           SECTION 3. This act shall take effect and be in force from  
271 and after July 1, 2001.

