

By: Senator(s) Thames

To: Finance

SENATE BILL NO. 2347

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 that amount necessary to fulfill the obligations
 21 created under this section by the Department of Insurance, from
 22 the State General Fund to such special fund, which sum shall be
 23 added to the remainder of the money transferred on July 1, 1995,
 24 and during the 1996 Regular Session to the Rural Fire Truck Fund.
 25 Unexpended amounts remaining in the fund at the end of a fiscal
 26 year shall not lapse into the State General Fund, and any interest
 27 earned on amounts in the fund shall be deposited to the credit of
 28 the fund. It is the intent of the Legislature that the Department
 29 of Insurance continue to accept applications from the counties for
 30 fire trucks as provided in subsection (3) of this section.



31 (3) (a) A county that meets the requirements provided
32 herein may receive an amount not to exceed Two Hundred Fifty
33 Thousand Dollars (\$250,000.00) as provided in subparagraphs (i),
34 (ii), (iii), (iv) and (v) of this paragraph, and such amount shall
35 be divided equally with not more than Fifty Thousand Dollars
36 (\$50,000.00) per fire truck. Monies distributed under this
37 chapter shall be expended only for the purchase of new fire trucks
38 which shall comply with the National Fire Protection Association
39 (NFPA) standards in the 1900 series and for the purchase of used
40 or reconditioned fire trucks which shall comply with the standards
41 adopted by the Department of Insurance.

42 (i) Any county that has not applied for a fire
43 truck under this section is eligible to submit applications for
44 five (5) fire trucks at not more than Fifty Thousand Dollars
45 (\$50,000.00) per truck or a total of Two Hundred Fifty Thousand
46 Dollars (\$250,000.00).

47 (ii) Any county that has received one (1) fire
48 truck under this section is eligible to submit applications for
49 four (4) fire trucks at not more than Fifty Thousand Dollars
50 (\$50,000.00) per truck or a total of Two Hundred Thousand Dollars
51 (\$200,000.00).

52 (iii) Any county that has received two (2) fire
53 trucks under this section is eligible to submit an application for
54 three (3) fire trucks or a total of not more than One Hundred
55 Fifty Thousand Dollars (\$150,000.00).

56 (iv) Any county that has received three (3) fire
57 trucks under this section is eligible to submit an application for
58 two (2) fire trucks or a total of not more than One Hundred
59 Thousand Dollars (\$100,000.00).

60 (v) Any county that has received four (4) fire
61 trucks under this section is eligible to submit an application for
62 one (1) fire truck or a total of not more than Fifty Thousand
63 Dollars (\$50,000.00).



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

73 (c) To be eligible to receive monies under this
74 chapter:

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

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

93 (d) The Department of Insurance shall maintain an
94 accurate record of all monies distributed to counties and
95 municipalities and the number of fire trucks purchased and the
96 cost for each fire truck, such records to be kept separate from



97 other records of the Department of Insurance; notify counties and
98 municipalities of the rural fire truck acquisition assistance
99 program and the requirements for them to become eligible to
100 participate; adopt and promulgate such rules and regulations as
101 may be necessary and desirable to implement the provisions of this
102 chapter; and file with the Legislature a report detailing how
103 monies made available under this chapter were distributed and
104 spent during the preceding portion of the fiscal year in each
105 county and municipality, the number of fire trucks purchased, the
106 counties and municipalities making such purchases and the cost of
107 each fire truck purchased.

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

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

113 27-65-111. The exemptions from the provisions of this
114 chapter which are not industrial, agricultural or governmental, or
115 which do not relate to utilities or taxes, or which are not
116 properly classified as one of the exemption classifications of
117 this chapter, shall be confined to persons or property exempted by
118 this section or by the Constitution of the United States or the
119 State of Mississippi. No exemptions as now provided by any other
120 section, except the classified exemption sections of this chapter
121 set forth herein, shall be valid as against the tax herein levied.
122 Any subsequent exemption from the tax levied hereunder, except as
123 indicated above, shall be provided by amendments to this section.

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

126 The tax levied by this chapter shall not apply to the
127 following:

128 (a) Sales of tangible personal property and services to
129 hospitals or infirmaries owned and operated by a corporation or



130 association in which no part of the net earnings inures to the
131 benefit of any private shareholder, group or individual, and which
132 are subject to and governed by Sections 41-7-123 through 41-7-127.

133 Only sales of tangible personal property or services which
134 are ordinary and necessary to the operation of such hospitals and
135 infirmaries are exempted from tax.

136 (b) Sales of daily or weekly newspapers, and
137 periodicals or publications of scientific, literary or educational
138 organizations exempt from federal income taxation under Section
139 501(c)(3) of the Internal Revenue Code of 1954, as it exists as of
140 March 31, 1975, and subscription sales of all magazines.

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

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

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

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

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



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

165 (i) Prescribed for the treatment of a human being
166 by a person authorized to prescribe the medicines, and dispensed
167 or prescription filled by a registered pharmacist in accordance
168 with law; or

169 (ii) Furnished by a licensed physician, surgeon,
170 dentist or podiatrist to his own patient for treatment of the
171 patient; or

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

175 (iv) Sold to a licensed physician, surgeon,
176 podiatrist, dentist or hospital for the treatment of a human
177 being; or

178 (v) Sold to this state or any political
179 subdivision or municipal corporation thereof, for use in the
180 treatment of a human being or furnished for the treatment of a
181 human being by a medical facility or clinic maintained by this
182 state or any political subdivision or municipal corporation
183 thereof.

184 "Medicines," as used in this paragraph (h), shall mean and
185 include any substance or preparation intended for use by external
186 or internal application to the human body in the diagnosis, cure,
187 mitigation, treatment or prevention of disease and which is
188 commonly recognized as a substance or preparation intended for
189 such use; provided that "medicines" do not include any auditory,
190 prosthetic, ophthalmic or ocular device or appliance, any dentures
191 or parts thereof or any artificial limbs or their replacement
192 parts, articles which are in the nature of splints, bandages,
193 pads, compresses, supports, dressings, instruments, apparatus,
194 contrivances, appliances, devices or other mechanical, electronic,
195 optical or physical equipment or article or the component parts



196 and accessories thereof, or any alcoholic beverage or any other
197 drug or medicine not commonly referred to as a prescription drug.

198 Notwithstanding the preceding sentence of this paragraph (h),
199 "medicines" as used in this paragraph (h), shall mean and include
200 sutures, whether or not permanently implanted, bone screws, bone
201 pins, pacemakers and other articles permanently implanted in the
202 human body to assist the functioning of any natural organ, artery,
203 vein or limb and which remain or dissolve in the body.

204 "Hospital," as used in this paragraph (h), shall have the
205 meaning ascribed to it in Section 41-9-3, Mississippi Code of
206 1972.

207 Insulin furnished by a registered pharmacist to a person for
208 treatment of diabetes as directed by a physician shall be deemed
209 to be dispensed on prescription within the meaning of this
210 paragraph (h).

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

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

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

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

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

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



228 (o) Retail sales of food for human consumption
229 purchased with food stamps issued by the United States Department
230 of Agriculture, or other federal agency, from and after October 1,
231 1987, or from and after the expiration of any waiver granted
232 pursuant to federal law, the effect of which waiver is to permit
233 the collection by the state of tax on such retail sales of food
234 for human consumption purchased with food stamps.

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

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

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

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

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

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

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

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

257 (x) The gross collections from the operation of
258 self-service, coin-operated car washing equipment and sales of the
259 service of washing motor vehicles with portable high pressure
260 washing equipment on the premises of the customer.



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

263 **SECTION 3.** This act shall take effect and be in force from
264 and after July 1, 2002.

