SENATE BILL NO. 2347

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

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

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

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

(2) There is created in the State Treasury a special fund to be designated as the "Rural Fire Truck Fund." The Legislature may appropriate that amount necessary to fulfill the obligations created under this section by the Department of Insurance, from the State General Fund to such special fund, which sum shall be added to the remainder of the money transferred on July 1, 1995, and during the 1996 Regular Session to the Rural Fire Truck Fund. Unexpended amounts remaining in the fund at the end of a fiscal year shall not lapse into the State General Fund, and any interest earned on amounts in the fund shall be deposited to the credit of the fund. It is the intent of the Legislature that the Department of Insurance continue to accept applications from the counties for fire trucks as provided in subsection (3) of this section.
(3) (a) A county that meets the requirements provided herein may receive an amount not to exceed Two Hundred Fifty Thousand Dollars ($250,000.00) as provided in subparagraphs (i), (ii), (iii), (iv) and (v) of this paragraph, and such amount shall be divided equally with not more than Fifty Thousand Dollars ($50,000.00) per fire truck. Monies distributed under this chapter shall be expended only for the purchase of new fire trucks which shall comply with the National Fire Protection Association (NFPA) standards in the 1900 series and for the purchase of used or reconditioned fire trucks which shall comply with the standards adopted by the Department of Insurance.

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

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

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

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

(v) Any county that has received four (4) fire trucks under this section is eligible to submit an application for one (1) fire truck or a total of not more than Fifty Thousand Dollars ($50,000.00).
(b) The board of supervisors of the county shall submit its request for the receipt of monies to the Department of Insurance. A committee composed of the Commissioner of Insurance, the State Fire Coordinator, the Director of the Rating Bureau and the Director of the State Fire Academy shall review the requests by the boards of supervisors and shall determine whether the county or municipality for which the board of supervisors has requested a truck meets the requirements of eligibility under this chapter.

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

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

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

(d) The Department of Insurance shall maintain an accurate record of all monies distributed to counties and municipalities and the number of fire trucks purchased and the cost for each fire truck, such records to be kept separate from
other records of the Department of Insurance; notify counties and
municipalities of the rural fire truck acquisition assistance
program and the requirements for them to become eligible to
participate; adopt and promulgate such rules and regulations as
may be necessary and desirable to implement the provisions of this
chapter; and file with the Legislature a report detailing how
monies made available under this chapter were distributed and
spent during the preceding portion of the fiscal year in each
county and municipality, the number of fire trucks purchased, the
counties and municipalities making such purchases and the cost of
each fire truck purchased.

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

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

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

No exemption provided in this section shall apply to taxes
The tax levied by this chapter shall not apply to the
following:

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

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

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

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

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

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

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

(g) Sales to elementary and secondary grade schools,
junior and senior colleges owned and operated by a corporation or
association in which no part of the net earnings inures to the
benefit of any private shareholder, group or individual, and which
are exempt from state income taxation, provided that this
exemption does not apply to sales of property or services which
are not to be used in the ordinary operation of the school, or
which are to be resold to the students or the public.
(h) The gross proceeds of retail sales and the use or consumption in this state of drugs and medicines:

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

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

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

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

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

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

drug or medicine not commonly referred to as a prescription drug.

Notwithstanding the preceding sentence of this paragraph (h), "medicines" as used in this paragraph (h), shall mean and include

sutures, whether or not permanently implanted, bone screws, bone

pins, pacemakers and other articles permanently implanted in the

human body to assist the functioning of any natural organ, artery,

vein or limb and which remain or dissolve in the body.

"Hospital," as used in this paragraph (h), shall have the

meaning ascribed to it in Section 41-9-3, Mississippi Code of

1972.

Insulin furnished by a registered pharmacist to a person for

treatment of diabetes as directed by a physician shall be deemed

to be dispensed on prescription within the meaning of this

paragraph (h).

(i) Retail sales of automobiles, trucks and

truck-tractors if exported from this state within forty-eight (48)

hours and registered and first used in another state.

(j) Sales of tangible personal property or services to

the Salvation Army and the Muscular Dystrophy Association, Inc.

(k) From July 1, 1985, through December 31, 1992,

retail sales of "alcohol blended fuel" as such term is defined in

Section 75-55-5. The gasoline-alcohol blend or the straight

alcohol eligible for this exemption shall not contain alcohol

distilled outside the State of Mississippi.

(l) Sales of tangible personal property or services to

the Institute for Technology Development.

(m) The gross proceeds of retail sales of food and

drink for human consumption made through vending machines serviced

by full line vendors from and not connected with other taxable

businesses.

(n) The gross proceeds of sales of motor fuel.
(o) Retail sales of food for human consumption purchased with food stamps issued by the United States Department of Agriculture, or other federal agency, from and after October 1, 1987, or from and after the expiration of any waiver granted pursuant to federal law, the effect of which waiver is to permit the collection by the state of tax on such retail sales of food for human consumption purchased with food stamps.

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

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

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

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

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

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

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

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

(x) The gross collections from the operation of self-service, coin-operated car washing equipment and sales of the service of washing motor vehicles with portable high pressure washing equipment on the premises of the customer.
ST: Rural Fire Truck Acquisition Act; revise provisions; exempt certain sales to fire departments from taxation.

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

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