

By: Senator(s) Jackson (32nd)

To: Insurance

SENATE BILL NO. 2607

1 AN ACT TO AMEND SECTION 83-1-39, MISSISSIPPI CODE OF 1972, TO
2 AUTHORIZE THE BOARD OF SUPERVISORS OF EACH COUNTY TO USE INSURANCE
3 REBATE MONIES FOR THE CONSTRUCTION OR RENOVATION OF A BUILDING FOR
4 FIRE PROTECTION PURPOSES; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** Section 83-1-39, Mississippi Code of 1972, is
7 amended as follows:

8 83-1-39. (1) The State Tax Commission shall pay over to the
9 State Treasurer, to be credited to a fund entitled "County
10 Volunteer Fire Department Fund," the sum of Four Million Six
11 Hundred Thousand Dollars (\$4,600,000.00) annually out of the
12 insurance premium tax in addition to the amount collected by it
13 under the provisions of Section 27-15-103 et seq. Such funds,
14 hereinafter referred to as insurance rebate monies, are hereby
15 earmarked for payment to the various counties of the state and
16 shall be paid over to the counties by the Department of Insurance
17 on the basis of the population of each county as it compares to
18 the population of participating counties, not counting residents
19 of any municipality. Such insurance rebate monies shall only be
20 distributed to those counties which are in compliance with
21 subsections (5) and (6) of this section.

22 (2) Using 1990 as a base year, the State Tax Commission
23 shall pay to the State Treasurer, to be credited to the "County
24 Volunteer Fire Department Fund," an amount representing one-half
25 of ten percent (1/2 of 10%) of any growth after 1990 of the
26 insurance premium tax collected annually from the taxes levied on
27 the gross premium on fire insurance policies written on properties

28 in this state, in addition to the amount collected by it under
29 Section 27-15-103 et seq.

30 (3) Insurance rebate monies shall be expended by the board
31 of supervisors for fire protection purposes of each county as
32 follows:

33 (a) For training expenses;

34 (b) Purchase of equipment, purchase of fire trucks,
35 repair and refurbishing of fire trucks and fire fighting
36 equipment, and capital construction anywhere in the county or
37 pledging as security for a period of not more than ten (10) years
38 for such purchases;

39 (c) Purchase of insurance on county-owned fire fighting
40 equipment;

41 (d) Fire protection service contracts (including, but
42 not limited to, municipalities, legal fire protection districts,
43 and nonprofit corporations providing or coordinating fire service
44 in or out of the county); * * *

45 (e) Appropriations to legal fire protection districts
46 located in counties subject to all restrictions applicable to the
47 use of insurance rebate monies; or

48 (f) Construction or renovation of a building for fire
49 protection purposes.

50 Any county-owned equipment or other property, at the option of the
51 board of supervisors, may be used by any legally created fire
52 department.

53 (4) Insurance rebate monies not expended in a given fiscal
54 year for fire protection purposes shall be placed in a special
55 fund with a written plan approved by the Commissioner of Insurance
56 for disposition and expenditure of such monies. After the
57 contracts for fire protection services have been approved and
58 accepted by the board of supervisors, the monies shall be released
59 to be expended in such manner as provided by this section.

60 (5) No county shall receive payments pursuant to this
61 section after July 1, 1988, unless such county:

62 (a) Designates a county fire service coordinator who is
63 responsible for seeing that standard guidelines established by the
64 Commissioner of Insurance pursuant to Section 45-11-7(9),
65 Mississippi Code of 1972, are followed. The county fire
66 coordinator must demonstrate that he possesses fire-related
67 knowledge and experience;

68 (b) Designates one (1) member of the sheriff's
69 department to be the county arson investigator and requires the
70 designated member of the sheriff's department to attend any
71 mandatory arson investigation training offered by the State Fire
72 Marshal's office;

73 (c) Adheres to the standard guidelines established by
74 the Commissioner of Insurance pursuant to Section 45-11-7(9); and

75 (d) Counties shall levy a tax of not less than
76 one-fourth (1/4) mill on all property of the county or appropriate
77 avails of not less than one-fourth (1/4) mill from the county's
78 general fund for fire protection purposes. Municipalities making
79 a written declaration to the county that they fund and provide
80 their own fire services shall be exempted from this levy. This
81 levy shall be used for fire protection purposes which include, but
82 are not limited to, contracting with any provider of fire
83 protection services.

84 (6) (a) No funds shall be paid by the county to any
85 provider of fire protection services except in accordance with a
86 written contract entered into in accordance with guidelines
87 established by the Commissioner of Insurance and properly approved
88 by the board of supervisors and Commissioner of Insurance. No
89 county shall distribute funds to any fire service provider which
90 has not met the reporting requirements required by the
91 Commissioner of Insurance. At such time that a fire protection
92 services provider, particularly a county volunteer fire

93 department, a municipality or a fire protection district, has
94 fulfilled the obligations of the written contract and has met the
95 reporting requirements provided for in this subsection and the
96 board of supervisors has received the insurance rebate monies, the
97 board of supervisors shall disburse the appropriate amount to the
98 fire protection services provider within a reasonable time, not to
99 exceed six (6) weeks, from the time such requirements are met.
100 Insurance rebate monies used for the purposes of contracting shall
101 be expended by the fire service provider for capital construction,
102 training expenses, purchase of fire fighting equipment, including
103 payments on any loans made for the purpose of purchasing fire
104 fighting equipment, and purchase of insurance for any fire
105 equipment owned or operated by the provider.

106 (b) If the Commissioner of Insurance believes that a
107 county is using the funds in a manner not consistent with
108 subsections (5) and (6) of this section, the commissioner shall
109 request the State Auditor to conduct an investigation pursuant to
110 Section 7-7-211(e).

111 (7) The board of supervisors of any county may contribute
112 funds directly to any provider of fire protection services serving
113 such county. Such contributions must be used for fire protection
114 purposes as may be reasonably established by the Commissioner of
115 Insurance.

116 (8) Any municipal, county or local water association or
117 other utility district supplying water may, upon adoption of a
118 resolution authorizing such action, contribute free of charge to a
119 volunteer fire department or fire protection district serving such
120 local government, political subdivision or utility district such
121 water as is necessary for fire fighting or training activities of
122 such volunteer fire department or fire protection district.

123 (9) The board of supervisors of any county may, in its
124 discretion, grade, gravel, shell and/or maintain real property of
125 a county volunteer fire department, including roads or driveways

126 thereof, as necessary for the effective and safe operation of such
127 county volunteer fire department. Any action taken by the board
128 of supervisors under the authority of this subsection shall be
129 spread upon the minutes of the board of supervisors when the work
130 is authorized.

131 (10) For the purpose of this section, "fire protection
132 district" means a district organized under Section 19-5-151 et
133 seq., or pursuant to any other code section or by any local and
134 private act authorizing the establishment of a fire protection
135 district, unless the context clearly requires otherwise.

136 **SECTION 2.** This act shall take effect and be in force from
137 and after July 1, 2005.