

By: Representative Montgomery

To: Insurance; Ways and Means

HOUSE BILL NO. 203

1 AN ACT TO AMEND SECTION 83-1-37 AND 83-1-39, MISSISSIPPI CODE  
2 OF 1972, TO AUTHORIZE MUNICIPAL GOVERNING AUTHORITIES AND COUNTY  
3 BOARDS OF SUPERVISORS TO USE INSURANCE REBATE MONIES FOR THE  
4 ACQUISITION, INSTALLATION, OPERATION AND MAINTENANCE OF SIRENS AND  
5 SIMILAR EQUIPMENT USED FOR THE PURPOSE OF WARNING RESIDENTS OF  
6 EMERGENCY WEATHER SITUATIONS; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 83-1-37, Mississippi Code of 1972, is  
9 amended as follows:

10 83-1-37. (1) The State Tax Commission shall pay for credit  
11 to a fund known as the "Municipal Fire Protection Fund," the sum  
12 of Four Million Six Hundred Thousand Dollars (\$4,600,000.00)  
13 annually out of the insurance premium tax collected annually from  
14 the taxes levied on the gross premiums on fire insurance policies  
15 written on properties in this state, under Sections 27-15-103  
16 through 27-15-127. The State Treasurer shall credit this amount  
17 to the Municipal Fire Protection Fund. This fund shall be set  
18 aside and earmarked for payment to municipalities in this state,  
19 as hereinafter provided.

20 (2) Using 1990 as a base year, the State Tax Commission  
21 shall pay over annually to the State Treasurer, for credit to the  
22 "Municipal Fire Protection Fund," an amount representing one-half  
23 of ten percent (1/2 of 10%) of any growth after 1990 of the  
24 insurance premium tax collected annually from the taxes levied on  
25 the gross premium on fire insurance policies written on properties  
26 in this state, under Sections 27-15-103 through 27-15-127.

27 (3) The fund hereby created and denominated "Municipal Fire  
28 Protection Fund" shall be apportioned and paid over by the  
29 Department of Insurance to the incorporated municipalities



30 certified as eligible to participate in the fund by the  
31 Commissioner of Insurance, and shall be distributed once each year  
32 on a population basis, to be determined by the most recent federal  
33 census. Municipalities receiving these funds shall earmark such  
34 monies for fire protection services.

35 (4) The amount paid under subsections (1) and (2) of this  
36 section to a municipality shall be used and expended solely for  
37 purposes connected with the improvement of the fire departments of  
38 the municipality and for the acquisition, installation, operation  
39 and maintenance of sirens and similar equipment used for the  
40 purpose of warning residents of emergency weather situations.

41 (5) Each municipality shall levy a tax of not less than  
42 one-fourth (1/4) mill on all property of the municipality or  
43 appropriate the avails of not less than one-fourth (1/4) mill from  
44 the municipality's general fund for fire protection purposes.  
45 Municipalities may allow such millage to be collected by the  
46 county. Each municipality shall annually provide the Commissioner  
47 of Insurance and the State Fire Coordinator on a form provided by  
48 the State Fire Coordinator a report stating whether the  
49 municipality is levied the one-fourth (1/4) mill hereby required  
50 or in lieu thereof is allowing such millage to be collected by the  
51 county.

52 **SECTION 2.** Section 83-1-39, Mississippi Code of 1972, is  
53 amended as follows:

54 83-1-39. (1) The State Tax Commission shall pay over to the  
55 State Treasurer, to be credited to a fund entitled "County  
56 Volunteer Fire Department Fund," the sum of Four Million Six  
57 Hundred Thousand Dollars (\$4,600,000.00) annually out of the  
58 insurance premium tax in addition to the amount collected by it  
59 under the provisions of Section 27-15-103 et seq. Such funds,  
60 hereinafter referred to as insurance rebate monies, are hereby  
61 earmarked for payment to the various counties of the state and  
62 shall be paid over to the counties by the Department of Insurance



63 on the basis of the population of each county as it compares to  
64 the population of participating counties, not counting residents  
65 of any municipality. Such insurance rebate monies shall only be  
66 distributed to those counties which are in compliance with  
67 subsections (5) and (6) of this section.

68 (2) Using 1990 as a base year, the State Tax Commission  
69 shall pay to the State Treasurer, to be credited to the "County  
70 Volunteer Fire Department Fund," an amount representing one-half  
71 of ten percent (1/2 of 10%) of any growth after 1990 of the  
72 insurance premium tax collected annually from the taxes levied on  
73 the gross premium on fire insurance policies written on properties  
74 in this state, in addition to the amount collected by it under  
75 Section 27-15-103 et seq.

76 (3) Except as otherwise provided in subsection (11) of this  
77 section, insurance rebate monies shall be expended by the board of  
78 supervisors for fire protection purposes of each county as  
79 follows:

80 (a) For training expenses;

81 (b) Purchase of equipment, purchase of fire trucks,  
82 repair and refurbishing of fire trucks and fire fighting  
83 equipment, and capital construction anywhere in the county or  
84 pledging as security for a period of not more than ten (10) years  
85 for such purchases;

86 (c) Purchase of insurance on county-owned fire fighting  
87 equipment;

88 (d) Fire protection service contracts (including, but  
89 not limited to, municipalities, legal fire protection districts,  
90 and nonprofit corporations providing or coordinating fire service  
91 in or out of the county); or

92 (e) Appropriations to legal fire protection districts  
93 located in counties subject to all restrictions applicable to the  
94 use of insurance rebate monies.



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

98 (4) Except as otherwise provided in subsection (11) of this  
99 section, insurance rebate monies not expended in a given fiscal  
100 year for fire protection purposes shall be placed in a special  
101 fund with a written plan approved by the Commissioner of Insurance  
102 for disposition and expenditure of such monies. After the  
103 contracts for fire protection services have been approved and  
104 accepted by the board of supervisors, the monies shall be released  
105 to be expended in such manner as provided by this section.

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

108 (a) Designates a county fire service coordinator who is  
109 responsible for seeing that standard guidelines established by the  
110 Commissioner of Insurance pursuant to Section 45-11-7(9),  
111 Mississippi Code of 1972, are followed. The county fire  
112 coordinator must demonstrate that he possesses fire-related  
113 knowledge and experience;

114 (b) Designates one (1) member of the sheriff's  
115 department to be the county arson investigator and requires the  
116 designated member of the sheriff's department to attend any  
117 mandatory arson investigation training offered by the State Fire  
118 Marshal's office;

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

121 (d) Counties shall levy a tax of not less than  
122 one-fourth (1/4) mill on all property of the county or appropriate  
123 avails of not less than one-fourth (1/4) mill from the county's  
124 general fund for fire protection purposes. Municipalities making  
125 a written declaration to the county that they fund and provide  
126 their own fire services shall be exempted from this levy. This  
127 levy shall be used for fire protection purposes which include, but



128 are not limited to, contracting with any provider of fire  
129 protection services.

130 (6) (a) No funds shall be paid by the county to any  
131 provider of fire protection services except in accordance with a  
132 written contract entered into in accordance with guidelines  
133 established by the Commissioner of Insurance and properly approved  
134 by the board of supervisors and Commissioner of Insurance. No  
135 county shall distribute funds to any fire service provider which  
136 has not met the reporting requirements required by the  
137 Commissioner of Insurance. At such time that a fire protection  
138 services provider, particularly a county volunteer fire  
139 department, a municipality or a fire protection district, has  
140 fulfilled the obligations of the written contract and has met the  
141 reporting requirements provided for in this subsection and the  
142 board of supervisors has received the insurance rebate monies, the  
143 board of supervisors shall disburse the appropriate amount to the  
144 fire protection services provider within a reasonable time, not to  
145 exceed six (6) weeks, from the time such requirements are met.  
146 Insurance rebate monies used for the purposes of contracting shall  
147 be expended by the fire service provider for capital construction,  
148 training expenses, purchase of fire fighting equipment, including  
149 payments on any loans made for the purpose of purchasing fire  
150 fighting equipment, and purchase of insurance for any fire  
151 equipment owned or operated by the provider.

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

157 (7) The board of supervisors of any county may contribute  
158 funds directly to any provider of fire protection services serving  
159 such county. Such contributions must be used for fire protection



160 purposes as may be reasonably established by the Commissioner of  
161 Insurance.

162 (8) Any municipal, county or local water association or  
163 other utility district supplying water may, upon adoption of a  
164 resolution authorizing such action, contribute free of charge to a  
165 volunteer fire department or fire protection district serving such  
166 local government, political subdivision or utility district such  
167 water as is necessary for fire fighting or training activities of  
168 such volunteer fire department or fire protection district.

169 (9) The board of supervisors of any county may, in its  
170 discretion, grade, gravel, shell and/or maintain real property of  
171 a county volunteer fire department, including roads or driveways  
172 thereof, as necessary for the effective and safe operation of such  
173 county volunteer fire department. Any action taken by the board  
174 of supervisors under the authority of this subsection shall be  
175 spread upon the minutes of the board of supervisors when the work  
176 is authorized.

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

182 (11) A county that receives insurance rebate monies under  
183 this section also may use such monies for the acquisition,  
184 installation, operation and maintenance of sirens and similar  
185 equipment used for the purpose of warning residents of emergency  
186 weather situations.

187 **SECTION 3.** This act shall take effect and be in force from  
188 and after July 1, 2007.

