

By: Representative Formby

To: Insurance; County
Affairs

HOUSE BILL NO. 1312
(As Sent to Governor)

1 AN ACT TO AMEND SECTION 83-1-39, MISSISSIPPI CODE OF 1972, TO
2 PROVIDE THAT NO COUNTY SHALL RECEIVE INSURANCE REBATE MONIES UNTIL
3 THE COUNTY DESIGNATES A MEMBER OF THE SHERIFF'S DEPARTMENT TO BE
4 THE COUNTY FIRE INVESTIGATOR AND REQUIRES THE DESIGNATED MEMBER TO
5 ATTEND THE STATE FIRE ACADEMY FOR ARSON INVESTIGATION TRAINING;
6 AND FOR RELATED PURPOSES.

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

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

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

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

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

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

35 (a) For training expenses;

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

41 (c) Purchase of insurance on county-owned fire fighting
42 equipment;

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

47 (e) Appropriations to legal fire protection districts
48 located in counties subject to all restrictions applicable to the
49 use of insurance rebate monies.

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 fire investigator and, from and after
70 July 1, 2008, requires the designated member of the sheriff's
71 department to attend the State Fire Academy to be trained in arson
72 investigation; however, in the event of a loss of the county fire
73 investigator due to illness, death, resignation, discharge or
74 other legitimate cause, notice shall be immediately given to the
75 Commissioner of Insurance and the county may continue to receive
76 payments on an interim basis for a period not to exceed one (1)
77 year;

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

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

89 (6) (a) No funds shall be paid by the county to any
90 provider of fire protection services except in accordance with a
91 written contract entered into in accordance with guidelines
92 established by the Commissioner of Insurance and properly approved
93 by the board of supervisors and Commissioner of Insurance. No
94 county shall distribute funds to any fire service provider which

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

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

116 (7) The board of supervisors of any county may contribute
117 funds directly to any provider of fire protection services serving
118 such county. Such contributions must be used for fire protection
119 purposes as may be reasonably established by the Commissioner of
120 Insurance.

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

128 (9) The board of supervisors of any county may, in its
129 discretion, grade, gravel, shell and/or maintain real property of
130 a county volunteer fire department, including roads or driveways
131 thereof, as necessary for the effective and safe operation of such
132 county volunteer fire department. Any action taken by the board
133 of supervisors under the authority of this subsection shall be
134 spread upon the minutes of the board of supervisors when the work
135 is authorized.

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

141 **SECTION 2.** This act shall take effect and be in force from
142 and after July 1, 2007.