

By: Senator(s) Doxey

To: Insurance

SENATE BILL NO. 2708

1 AN ACT TO AMEND SECTION 83-1-37 AND 83-1-39, MISSISSIPPI CODE  
2 OF 1972, TO INCREASE THE AMOUNT OF INSURANCE REBATE MONIES  
3 REQUIRED TO BE PAID OUT OF THE INSURANCE PREMIUM TAX TO THE  
4 MUNICIPAL FIRE PROTECTION FUND AND THE COUNTY FIRE PROTECTION  
5 FUND; AND FOR RELATED PURPOSES.

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

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

9 83-1-37. (1) The State Tax Commission shall pay for credit  
10 to a fund known as the "Municipal Fire Protection Fund," the sum  
11 of Six Million Dollars (\$6,000,000.00) annually out of the  
12 insurance premium tax collected annually from the taxes levied on  
13 the gross premiums on fire insurance policies written on  
14 properties in this state, under Sections 27-15-103 to 27-15-127.  
15 The State Treasurer shall credit this amount to the Municipal Fire  
16 Protection Fund. This fund shall be set aside and earmarked for  
17 payment to municipalities in this state, as hereinafter provided.

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

25 (3) The fund hereby created and denominated "Municipal Fire  
26 Protection Fund" shall be apportioned and paid over by the  
27 Department of Insurance to the incorporated municipalities  
28 certified as eligible to participate in the fund by the

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

33 (4) The amount paid under subsections (1) and (2) of this  
34 section to a municipality shall be used and expended solely for  
35 purposes connected with the improvement of the fire departments of  
36 the municipality.

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

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

50 83-1-39. (1) The State Tax Commission shall pay over to the  
51 State Treasurer, to be credited to a fund entitled "County  
52 Volunteer Fire Department Fund," the sum of Six Million Dollars  
53 (\$6,000,000.00) annually out of the insurance premium tax in  
54 addition to the amount collected by it under the provisions of  
55 Section 27-15-103 et seq. Such funds, hereinafter referred to as  
56 insurance rebate monies, are hereby earmarked for payment to the  
57 various counties of the state and shall be paid over to the  
58 counties by the Department of Insurance on the basis of the  
59 population of each county as it compares to the population of  
60 participating counties, not counting residents of any  
61 municipality. Such insurance rebate monies shall only be

62 distributed to those counties which are in compliance with  
63 subsections (5) and (6) of this section.

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

72 (3) Insurance rebate monies shall be expended by the board  
73 of supervisors for fire protection purposes of each county as  
74 follows:

75 (a) For training expenses;

76 (b) Purchase of equipment, purchase of fire trucks,  
77 repair and refurbishing of fire trucks and fire fighting  
78 equipment, and capital construction anywhere in the county or  
79 pledging as security for a period of not more than ten (10) years  
80 for such purchases;

81 (c) Purchase of insurance on county-owned fire fighting  
82 equipment;

83 (d) Fire protection service contracts, including, but  
84 not limited to, municipalities, legal fire protection districts,  
85 and nonprofit corporations providing or coordinating fire service  
86 in or out of the county; or

87 (e) Appropriations to legal fire protection districts  
88 located in counties subject to all restrictions applicable to the  
89 use of insurance rebate monies.

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

93 (4) Insurance rebate monies not expended in a given fiscal  
94 year for fire protection purposes shall be placed in a special

95 fund with a written plan approved by the Commissioner of Insurance  
96 for disposition and expenditure of such monies. After the  
97 contracts for fire protection services have been approved and  
98 accepted by the board of supervisors, the monies shall be released  
99 to be expended in such manner as provided by this section.

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

102 (a) Designates a county fire service coordinator who is  
103 responsible for seeing that standard guidelines established by the  
104 Commissioner of Insurance pursuant to Section 45-11-7(9),  
105 Mississippi Code of 1972, are followed. The county fire  
106 coordinator must demonstrate that he possesses fire-related  
107 knowledge and experience;

108 (b) Designates one (1) member of the sheriff's  
109 department to be the county arson investigator and requires the  
110 designated member of the sheriff's department to attend any  
111 mandatory arson investigation training offered by the State Fire  
112 Marshal's office;

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

115 (d) Counties shall levy a tax of not less than  
116 one-fourth (1/4) mill on all property of the county or appropriate  
117 avails of not less than one-fourth (1/4) mill from the county's  
118 general fund for fire protection purposes. Municipalities making  
119 a written declaration to the county that they fund and provide  
120 their own fire services shall be exempted from this levy. This  
121 levy shall be used for fire protection purposes which include, but  
122 are not limited to, contracting with any provider of fire  
123 protection services.

124 (6) (a) No funds shall be paid by the county to any  
125 provider of fire protection services except in accordance with a  
126 written contract entered into in accordance with guidelines  
127 established by the Commissioner of Insurance and properly approved

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

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

151 (7) The board of supervisors of any county may contribute  
152 funds directly to any provider of fire protection services serving  
153 such county. Such contributions must be used for fire protection  
154 purposes as may be reasonably established by the Commissioner of  
155 Insurance.

156 (8) Any municipal, county or local water association or  
157 other utility district supplying water may, upon adoption of a  
158 resolution authorizing such action, contribute free of charge to a  
159 volunteer fire department or fire protection district serving such  
160 local government, political subdivision or utility district such

161 water as is necessary for fire fighting or training activities of  
162 such volunteer fire department or fire protection district.

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

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

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