

By: Representative Mims

To: Insurance;  
Appropriations

HOUSE BILL NO. 335

1 AN ACT TO AMEND SECTION 83-1-37, MISSISSIPPI CODE OF 1972, TO  
2 INCREASE THE AMOUNT OF INSURANCE PREMIUM TAX REVENUE DEPOSITED INTO  
3 THE MUNICIPAL FIRE PROTECTION FUND; TO AMEND SECTION 83-1-39,  
4 MISSISSIPPI CODE OF 1972, TO INCREASE THE AMOUNT OF INSURANCE  
5 PREMIUM TAX REVENUE DEPOSITED INTO THE COUNTY VOLUNTEER FIRE  
6 DEPARTMENT FUND; 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 Department of Revenue shall pay for credit  
11 to a fund known as the "Municipal Fire Protection Fund," the sum  
12 of \* \* \* Six Million Three Hundred Fifty Thousand Dollars  
13 (\$6,350,000.00) annually out of the insurance premium tax  
14 collected annually from the taxes levied on the gross premiums on  
15 fire insurance policies written on properties in this state, under  
16 Sections 27-15-103 through 27-15-127. The State Treasurer shall  
17 credit this amount to the Municipal Fire Protection Fund. This  
18 fund shall be set aside and earmarked for payment to  
19 municipalities in this state, as hereinafter provided.



20           (2) Using 1990 as a base year, the Department of Revenue  
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, except as provided in subsection (4) of this section.  
34 Municipalities receiving these funds shall earmark such monies for  
35 fire protection services.

36           (4) Two Hundred Fifty Thousand Dollars (\$250,000.00) from  
37 the Municipal Fire Protection Fund shall be annually designated  
38 from that fund for the training of municipal personnel as needed  
39 for the adoption of and compliance with the minimum building codes  
40 as established and promulgated by the Mississippi Building Codes  
41 Council or for windstorm mitigation programs as approved by the  
42 Commissioner of Insurance. These monies shall be apportioned and  
43 distributed amongst qualifying municipalities. Any monies that  
44 are designated under this subsection (4) that are not expended



45 annually shall be returned to the Municipal Fire Protection Fund  
46 to be distributed for fire protection services.

47 (5) The amount paid under subsections (1) and (2) of this  
48 section to a municipality shall be used and expended in accordance  
49 with the guidelines established by the Commissioner of Insurance  
50 authorized by Section 45-11-7, and for the training of municipal  
51 personnel as needed for the adoption of and compliance with the  
52 minimum building codes as established and promulgated by the  
53 Mississippi Building Codes Council, or for windstorm mitigation  
54 programs as approved by the Commissioner of Insurance.

55 (6) Each municipality shall levy a tax of not less than  
56 one-fourth (1/4) mill on all property of the municipality or  
57 appropriate the avails of not less than one-fourth (1/4) mill from  
58 the municipality's general fund for fire protection purposes.  
59 Municipalities may allow such millage to be collected by the  
60 county. Each municipality shall annually provide the Commissioner  
61 of Insurance and the State Fire Coordinator on a form provided by  
62 the State Fire Coordinator a report stating whether the  
63 municipality is levied the one-fourth (1/4) mill hereby required  
64 or in lieu thereof is allowing such millage to be collected by the  
65 county.

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

68 83-1-39. (1) The Department of Revenue shall pay over to  
69 the State Treasurer, to be credited to a fund entitled "County



70 Volunteer Fire Department Fund," the sum of \* \* \* Six Million  
71 Three Hundred Fifty Thousand Dollars (\$6,350,000.00) annually out  
72 of the insurance premium tax in addition to the amount collected  
73 by it under the provisions of Section 27-15-103 et seq. Such  
74 funds, hereinafter referred to as insurance rebate monies, are  
75 hereby earmarked for payment to the various counties of the state  
76 and shall be paid over to the counties by the Department of  
77 Insurance on the basis of the population of each county as it  
78 compares to the population of participating counties, not counting  
79 residents of any municipality. Such insurance rebate monies shall  
80 only be distributed to those counties which are in compliance with  
81 subsections (5) and (6) of this section. Of these monies, Two  
82 Hundred Fifty Thousand Dollars (\$250,000.00) shall be designated  
83 for the purposes prescribed in subsection (3)(f) of this section.

84 (2) Using 1990 as a base year, the Department of Revenue  
85 shall pay to the State Treasurer, to be credited to the "County  
86 Volunteer Fire Department Fund," an amount representing one-half  
87 of ten percent (1/2 of 10%) of any growth after 1990 of the  
88 insurance premium tax collected annually from the taxes levied on  
89 the gross premium on fire insurance policies written on properties  
90 in this state, in addition to the amount collected by it under  
91 Section 27-15-103 et seq.

92 (3) Insurance rebate monies shall be expended by the board  
93 of supervisors for fire protection purposes of each county for the  
94 following categories:



95                   (a) For training expenses;

96                   (b) Purchase of equipment, purchase of fire trucks,  
97 repair and refurbishing of fire trucks and firefighting equipment,  
98 and capital construction anywhere in the county or pledging as  
99 security for a period of not more than ten (10) years for such  
100 purchases;

101                   (c) Purchase of insurance on county-owned firefighting  
102 equipment;

103                   (d) Fire protection service contracts, including, but  
104 not limited to, municipalities, legal fire protection districts,  
105 and nonprofit corporations providing or coordinating fire service  
106 in or out of the county;

107                   (e) Appropriations to legal fire protection districts  
108 located in counties subject to all restrictions applicable to the  
109 use of insurance rebate monies; \* \* \*

110                   (f) Training of any county personnel as needed for the  
111 adoption of and compliance with the codes established and  
112 promulgated by the Mississippi Building Codes Council or for  
113 windstorm mitigation programs as approved by the Commissioner of  
114 Insurance. These monies shall be apportioned and distributed  
115 amongst qualifying counties. Any monies designated under this  
116 paragraph (f) that are not expended annually shall be returned to  
117 the County Volunteer Fire Protection Fund to be distributed for  
118 fire protection services \* \* \*; or



119 (g) Any county-owned equipment or other property, at  
120 the option of the board of supervisors, may be used by any legally  
121 created fire department.

122 (4) Insurance rebate monies not expended in a given fiscal  
123 year for fire protection purposes shall be placed in a special  
124 fund with a written plan approved by the Commissioner of Insurance  
125 for disposition and expenditure of such monies. After the  
126 contracts for fire protection services have been approved and  
127 accepted by the board of supervisors, the monies shall be released  
128 to be expended in such manner as provided by this section.

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

131 (a) Designates a county fire service coordinator who is  
132 responsible for seeing that standard guidelines established by the  
133 Commissioner of Insurance pursuant to Section 45-11-7(9),  
134 Mississippi Code of 1972, are followed. The county fire  
135 coordinator must demonstrate that he possesses fire-related  
136 knowledge and experience;

137 (b) Designates one (1) member of the sheriff's  
138 department to be the county fire investigator and, from and after  
139 July 1, 2008, requires the designated member of the sheriff's  
140 department to attend the State Fire Academy to be trained in arson  
141 investigation; however, in the event of a loss of the county fire  
142 investigator due to illness, death, resignation, discharge or  
143 other legitimate cause, notice shall be immediately given to the



144 Commissioner of Insurance and the county may continue to receive  
145 payments on an interim basis for a period not to exceed one (1)  
146 year;

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

149 (d) Counties shall levy a tax of not less than  
150 one-fourth (1/4) mill on all property of the county or appropriate  
151 avails of not less than one-fourth (1/4) mill from the county's  
152 general fund for fire protection purposes. Municipalities making  
153 a written declaration to the county that they fund and provide  
154 their own fire services shall be exempted from this levy. This  
155 levy shall be used for fire protection purposes which include, but  
156 are not limited to, contracting with any provider of fire  
157 protection services.

158 (6) (a) No funds shall be paid by the county to any  
159 provider of fire protection services except in accordance with a  
160 written contract entered into in accordance with guidelines  
161 established by the Commissioner of Insurance and properly approved  
162 by the board of supervisors and Commissioner of Insurance. No  
163 county shall distribute funds to any fire service provider which  
164 has not met the reporting requirements required by the  
165 Commissioner of Insurance. At such time that a fire protection  
166 services provider, particularly a county volunteer fire  
167 department, a municipality or a fire protection district, has  
168 fulfilled the obligations of the written contract and has met the



169 reporting requirements provided for in this subsection and the  
170 board of supervisors has received the insurance rebate monies, the  
171 board of supervisors shall disburse the appropriate amount to the  
172 fire protection services provider within a reasonable time, not to  
173 exceed six (6) weeks, from the time such requirements are met.  
174 Insurance rebate monies used for the purposes of contracting shall  
175 be expended by the fire service provider for capital construction,  
176 training expenses, purchase of firefighting equipment, including  
177 payments on any loans made for the purpose of purchasing  
178 firefighting equipment, and purchase of insurance for any fire  
179 equipment owned or operated by the provider.

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

185 (7) The board of supervisors of any county may contribute  
186 funds directly to any provider of fire protection services serving  
187 such county. Such contributions must be used for fire protection  
188 purposes as may be reasonably established by the Commissioner of  
189 Insurance.

190 (8) Any municipal, county or local water association or  
191 other utility district supplying water may, upon adoption of a  
192 resolution authorizing such action, contribute free of charge to a  
193 volunteer fire department or fire protection district serving such





194 local government, political subdivision or utility district such  
195 water as is necessary for firefighting or training activities of  
196 such volunteer fire department or fire protection district.

197 (9) The board of supervisors of any county may, in its  
198 discretion, grade, gravel, shell and/or maintain real property of  
199 a county volunteer fire department, including roads or driveways  
200 thereof, as necessary for the effective and safe operation of such  
201 county volunteer fire department. Any action taken by the board  
202 of supervisors under the authority of this subsection shall be  
203 spread upon the minutes of the board of supervisors when the work  
204 is authorized.

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

210 **SECTION 3.** This act shall take effect and be in force from  
211 and after July 1, 2018.

