

By: Representative Horan

To: Insurance

HOUSE BILL NO. 726

1 AN ACT TO AMEND SECTION 45-11-7, MISSISSIPPI CODE OF 1972, TO
 2 PROVIDE THAT AT LEAST TWENTY-FIVE PERCENT OF FIRE PROTECTION FUNDS
 3 MAY BE USED BY COUNTIES AND MUNICIPALITIES FOR RECURRING EXPENSES;
 4 TO BRING FORWARD SECTIONS 83-1-37 AND 83-1-39, MISSISSIPPI CODE OF
 5 1972, FOR PURPOSES OF POSSIBLE AMENDMENT; AND FOR RELATED
 6 PURPOSES.

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

8 **SECTION 1.** Section 45-11-7, Mississippi Code of 1972, is
 9 amended as follows:

10 45-11-7. (1) There is hereby created a State Fire Academy
 11 for the training and education of persons engaged in municipal,
 12 county and industrial fire protection. The Commissioner of
 13 Insurance shall appoint an Executive Director of the State Fire
 14 Academy who, along with his employees, shall be designated as a
 15 division of the Insurance Department. The executive director
 16 shall serve at the pleasure of the Commissioner of Insurance. The
 17 State Fire Academy shall be under the supervision and direction of
 18 the Executive Director of the State Fire Academy. State Fire
 19 Academy training programs for fire personnel shall be conducted at
 20 the academy with seminars to be conducted in other sections of the



21 state as and when the State Fire Academy Advisory Board considers
22 it necessary and advisable.

23 The Commissioner of Insurance may establish and charge
24 reasonable fees for the training programs and other services
25 provided by the academy. A record of all funds received pursuant
26 to this paragraph shall be maintained as is required for other
27 monies pursuant to Section 45-11-5.

28 The Executive Director of the State Fire Academy is
29 authorized and empowered to purchase, operate and maintain mobile
30 firefighting equipment as he may find necessary and proper for the
31 operation of the academy subject to approval of the Commissioner
32 of Insurance. The equipment may be utilized wherever training
33 sessions may be held at the discretion of the State Fire Academy
34 Advisory Board.

35 (2) The Commissioner of Insurance shall be authorized to
36 undertake appropriate action to accomplish and fulfill the
37 purposes of the State Fire Academy, including the hiring of
38 instructors and personnel, the lease and purchase of appropriate
39 training equipment and to lease, purchase or construct suitable
40 premises and quarters for conducting annual school and seminars,
41 as the State Fire Academy Advisory Board may deem necessary and
42 required for such purposes. Any contract entered into under and
43 by virtue of the provisions of this section shall first be
44 submitted to and approved by the Public Procurement Review Board,



45 and construction pursuant to the contract shall be under the
46 supervision of the Governor's Office of General Services.

47 (3) Vouchers for operating expense for the State Fire
48 Academy shall be signed by the Executive Director of the State
49 Fire Academy and payment thereof shall be made from such funds to
50 be derived from a special allocation from the State Fire Academy
51 Fund as provided in Section 45-11-5.

52 (4) The State Fire Academy is hereby officially designated
53 as the agency of this state to conduct training for fire personnel
54 on a statewide basis in which members of all duly constituted fire
55 departments may participate. This subsection shall not be
56 construed to affect the authority of any fire department to
57 conduct training for its own personnel.

58 (5) Each state agency, private agency or federal agency
59 which provides training for the fire service shall coordinate such
60 efforts with the State Fire Academy to prevent duplication of cost
61 and to insure standardization of training.

62 (6) The State Fire Academy shall present an appropriate
63 certificate signifying the successful completion of its prescribed
64 courses.

65 (7) National firefighter standards approved by the
66 Mississippi Fire Personnel Minimum Standards and Certification
67 Board shall be used as the basis for classroom instruction at the
68 fire academy.



69 (8) The Commissioner of Insurance, Executive Director of the
70 State Fire Academy, and the Mississippi Fire Personnel Minimum
71 Standards and Certification Board shall coordinate all state
72 programs related to fire department operations.

73 (9) The Commissioner of Insurance is hereby authorized and
74 empowered to establish standard guidelines for the use of, and
75 accountability for, municipal and county fire protection funds
76 distributed pursuant to the provisions of Sections 83-1-37 and
77 83-1-39, Mississippi Code of 1972. Such guidelines shall
78 authorize counties and municipalities to use at least twenty-five
79 percent (25%) of the funds for recurring expenses rather than
80 capital expenditures. Such guidelines shall include requirements
81 for the establishment of record keeping and reports to the
82 Commissioner of Insurance by municipalities and counties relating
83 to the receipt and expenditure of fire protection funds, the
84 training of fire department personnel and the submission to the
85 Commissioner of Insurance of other data reasonably related to
86 local fire protection responsibilities which the Commissioner of
87 Insurance deems necessary for the performance of the duties of the
88 State Fire Academy Advisory Board.

89 (10) In order that the Commissioner of Insurance may more
90 effectively execute the duties imposed upon him by subsection (9)
91 of this section, there is hereby created within the State Fire
92 Academy a Division of Fire Services Development. The division
93 shall be staffed by a Fire Services Development Coordinator,



94 appointed by the executive director of the academy from his
95 current staff and by such other personnel as deemed by the
96 Commissioner of Insurance. The division shall work with municipal
97 and county fire coordinators to ensure effective implementation of
98 guidelines established pursuant to subsection (9) of this section
99 and shall serve in an advisory capacity for all aspects of fire
100 service improvement. The Fire Service Coordinator shall annually
101 notify the Department of Finance and Administration of those
102 municipalities and counties which are not eligible to receive a
103 portion of fire protection fund distributions because of failure
104 to comply with requirements imposed in Sections 83-1-37 and
105 83-1-39 as a prerequisite to receipt of such funds.

106 (11) There is created in the State Treasury a separate
107 account to be known as the "State Fire Academy Construction Fund."
108 The State Treasurer shall transfer on July 1, 1997, the sum of Six
109 Hundred Seventy-five Thousand Dollars (\$675,000.00) and on July 1,
110 1998, the sum of Six Hundred Seventy-five Thousand Dollars
111 (\$675,000.00) from the State Fire Academy Fund 3502 into the
112 separate account created in this subsection. Monies in such
113 account shall be expended solely, upon legislative appropriations,
114 to defray expenses related to the construction of capital
115 improvements project known as "Fire Safety and Education Building"
116 and parking areas at the State Fire Academy by the Bureau of
117 Building, Grounds and Real Property Management of the Office of
118 General Services and to pay any indebtedness incurred to



119 accomplish such construction. Funds not used after the completion
120 of this capital improvements project shall be transferred back
121 into State Fund 3502.

122 (12) From and after July 1, 2016, the expenses of this
123 agency shall be defrayed by appropriation from the State General
124 Fund and all user charges and fees authorized under this section
125 shall be deposited into the State General Fund as authorized by
126 law.

127 (13) From and after July 1, 2016, no state agency shall
128 charge another state agency a fee, assessment, rent or other
129 charge for services or resources received by authority of this
130 section.

131 **SECTION 2.** Section 83-1-37, Mississippi Code of 1972, is
132 brought forward as follows:

133 83-1-37. (1) The Department of Revenue shall pay for credit
134 to a fund known as the "Municipal Fire Protection Fund," the sum
135 of Four Million Eight Hundred Fifty Thousand Dollars
136 (\$4,850,000.00) annually out of the insurance premium tax
137 collected annually from the taxes levied on the gross premiums on
138 fire insurance policies written on properties in this state, under
139 Sections 27-15-103 through 27-15-127. The State Treasurer shall
140 credit this amount to the Municipal Fire Protection Fund. This
141 fund shall be set aside and earmarked for payment to
142 municipalities in this state, as hereinafter provided.



143 (2) Using 1990 as a base year, the Department of Revenue
144 shall pay over annually to the State Treasurer, for credit to the
145 "Municipal Fire Protection Fund," an amount representing one-half
146 of ten percent (1/2 of 10%) of any growth after 1990 of the
147 insurance premium tax collected annually from the taxes levied on
148 the gross premium on fire insurance policies written on properties
149 in this state, under Sections 27-15-103 through 27-15-127.

150 (3) The fund hereby created and denominated "Municipal Fire
151 Protection Fund" shall be apportioned and paid over by the
152 Department of Insurance to the incorporated municipalities
153 certified as eligible to participate in the fund by the
154 Commissioner of Insurance, and shall be distributed once each year
155 on a population basis, to be determined by the most recent federal
156 census, except as provided in subsection (4) of this section.
157 Municipalities receiving these funds shall earmark such monies for
158 fire protection services.

159 (4) Two Hundred Fifty Thousand Dollars (\$250,000.00) from
160 the Municipal Fire Protection Fund shall be annually designated
161 from that fund for the training of municipal personnel as needed
162 for the adoption of and compliance with the minimum building codes
163 as established and promulgated by the Mississippi Building Codes
164 Council or for windstorm mitigation programs as approved by the
165 Commissioner of Insurance. These monies shall be apportioned and
166 distributed amongst qualifying municipalities. Any monies that
167 are designated under this subsection (4) that are not expended



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

170 (5) The amount paid under subsections (1) and (2) of this
171 section to a municipality shall be used and expended in accordance
172 with the guidelines established by the Commissioner of Insurance
173 authorized by Section 45-11-7, and for the training of municipal
174 personnel as needed for the adoption of and compliance with the
175 minimum building codes as established and promulgated by the
176 Mississippi Building Codes Council, or for windstorm mitigation
177 programs as approved by the Commissioner of Insurance.

178 (6) Each municipality shall levy a tax of not less than
179 one-fourth (1/4) mill on all property of the municipality or
180 appropriate the avails of not less than one-fourth (1/4) mill from
181 the municipality's general fund for fire protection purposes.
182 Municipalities may allow such millage to be collected by the
183 county. Each municipality shall annually provide the Commissioner
184 of Insurance and the State Fire Coordinator on a form provided by
185 the State Fire Coordinator a report stating whether the
186 municipality is levied the one-fourth (1/4) mill hereby required
187 or in lieu thereof is allowing such millage to be collected by the
188 county.

189 **SECTION 3.** Section 83-1-39, Mississippi Code of 1972, is
190 brought forward as follows:

191 83-1-39. (1) The Department of Revenue shall pay over to
192 the State Treasurer, to be credited to a fund entitled "County



193 Volunteer Fire Department Fund," the sum of Four Million Eight
194 Hundred Fifty Thousand Dollars (\$4,850,000.00) annually out of the
195 insurance premium tax in addition to the amount collected by it
196 under the provisions of Section 27-15-103 et seq. Such funds,
197 hereinafter referred to as insurance rebate monies, are hereby
198 earmarked for payment to the various counties of the state and
199 shall be paid over to the counties by the Department of Insurance
200 on the basis of the population of each county as it compares to
201 the population of participating counties, not counting residents
202 of any municipality. Such insurance rebate monies shall only be
203 distributed to those counties which are in compliance with
204 subsections (5) and (6) of this section. Of these monies, Two
205 Hundred Fifty Thousand Dollars (\$250,000.00) shall be designated
206 for the purposes prescribed in subsection (3)(f) of this section.

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

215 (3) Insurance rebate monies shall be expended by the board
216 of supervisors for fire protection purposes of each county for the
217 following categories:



218 (a) For training expenses;

219 (b) Purchase of equipment, purchase of fire trucks,
220 repair and refurbishing of fire trucks and firefighting equipment,
221 and capital construction anywhere in the county or pledging as
222 security for a period of not more than ten (10) years for such
223 purchases;

224 (c) Purchase of insurance on county-owned firefighting
225 equipment;

226 (d) Fire protection service contracts, including, but
227 not limited to, municipalities, legal fire protection districts,
228 and nonprofit corporations providing or coordinating fire service
229 in or out of the county;

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

233 (f) Training of any county personnel as needed for the
234 adoption of and compliance with the codes established and
235 promulgated by the Mississippi Building Codes Council or for
236 windstorm mitigation programs as approved by the Commissioner of
237 Insurance. These monies shall be apportioned and distributed
238 amongst qualifying counties. Any monies designated under this
239 paragraph (f) that are not expended annually shall be returned to
240 the County Volunteer Fire Protection Fund to be distributed for
241 fire protection services.



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

245 (4) Insurance rebate monies not expended in a given fiscal
246 year for fire protection purposes shall be placed in a special
247 fund with a written plan approved by the Commissioner of Insurance
248 for disposition and expenditure of such monies. After the
249 contracts for fire protection services have been approved and
250 accepted by the board of supervisors, the monies shall be released
251 to be expended in such manner as provided by this section.

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

254 (a) Designates a county fire service coordinator who is
255 responsible for seeing that standard guidelines established by the
256 Commissioner of Insurance pursuant to Section 45-11-7(9),
257 Mississippi Code of 1972, are followed. The county fire
258 coordinator must demonstrate that he possesses fire-related
259 knowledge and experience;

260 (b) Designates one (1) member of the sheriff's
261 department to be the county fire investigator and, from and after
262 July 1, 2008, requires the designated member of the sheriff's
263 department to attend the State Fire Academy to be trained in arson
264 investigation; however, in the event of a loss of the county fire
265 investigator due to illness, death, resignation, discharge or
266 other legitimate cause, notice shall be immediately given to the



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

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

272 (d) Counties shall levy a tax of not less than
273 one-fourth (1/4) mill on all property of the county or appropriate
274 avails of not less than one-fourth (1/4) mill from the county's
275 general fund for fire protection purposes. Municipalities making
276 a written declaration to the county that they fund and provide
277 their own fire services shall be exempted from this levy. This
278 levy shall be used for fire protection purposes which include, but
279 are not limited to, contracting with any provider of fire
280 protection services.

281 (6) (a) No funds shall be paid by the county to any
282 provider of fire protection services except in accordance with a
283 written contract entered into in accordance with guidelines
284 established by the Commissioner of Insurance and properly approved
285 by the board of supervisors and Commissioner of Insurance. No
286 county shall distribute funds to any fire service provider which
287 has not met the reporting requirements required by the
288 Commissioner of Insurance. At such time that a fire protection
289 services provider, particularly a county volunteer fire
290 department, a municipality or a fire protection district, has
291 fulfilled the obligations of the written contract and has met the



292 reporting requirements provided for in this subsection and the
293 board of supervisors has received the insurance rebate monies, the
294 board of supervisors shall disburse the appropriate amount to the
295 fire protection services provider within a reasonable time, not to
296 exceed six (6) weeks, from the time such requirements are met.
297 Insurance rebate monies used for the purposes of contracting shall
298 be expended by the fire service provider for capital construction,
299 training expenses, purchase of firefighting equipment, including
300 payments on any loans made for the purpose of purchasing
301 firefighting equipment, and purchase of insurance for any fire
302 equipment owned or operated by the provider.

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

308 (7) The board of supervisors of any county may contribute
309 funds directly to any provider of fire protection services serving
310 such county. Such contributions must be used for fire protection
311 purposes as may be reasonably established by the Commissioner of
312 Insurance.

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



317 local government, political subdivision or utility district such
318 water as is necessary for firefighting or training activities of
319 such volunteer fire department or fire protection district.

320 (9) The board of supervisors of any county may, in its
321 discretion, grade, gravel, shell and/or maintain real property of
322 a county volunteer fire department, including roads or driveways
323 thereof, as necessary for the effective and safe operation of such
324 county volunteer fire department. Any action taken by the board
325 of supervisors under the authority of this subsection shall be
326 spread upon the minutes of the board of supervisors when the work
327 is authorized.

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

333 **SECTION 4.** This act shall take effect and be in force from
334 and after July 1, 2018.

