

By: Representative Hood

To: Insurance;  
Appropriations

HOUSE BILL NO. 1181

1 AN ACT TO AMEND SECTION 83-1-37, MISSISSIPPI CODE OF 1972, TO  
2 CLARIFY THAT MONIES IN THE MUNICIPAL FIRE PROTECTION FUND MAY NOT  
3 BE TRANSFERRED INTO THE STATE GENERAL FUND; TO AMEND SECTION  
4 83-1-39, MISSISSIPPI CODE OF 1972, TO CLARIFY THAT MONIES IN THE  
5 COUNTY VOLUNTEER FIRE DEPARTMENT FUND MAY NOT BE TRANSFERRED INTO  
6 THE STATE GENERAL FUND; TO BRING FORWARD SECTION 45-11-5,  
7 MISSISSIPPI CODE OF 1972, FOR PURPOSES OF POSSIBLE AMENDMENT; AND  
8 FOR RELATED PURPOSES.

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

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

12 83-1-37. (1) The Department of Revenue shall pay for credit  
13 to a fund known as the "Municipal Fire Protection Fund," the sum  
14 of Four Million Eight Hundred Fifty Thousand Dollars  
15 (\$4,850,000.00) annually out of the insurance premium tax  
16 collected annually from the taxes levied on the gross premiums on  
17 fire insurance policies written on properties in this state, under  
18 Sections 27-15-103 through 27-15-127. The State Treasurer shall  
19 credit this amount to the Municipal Fire Protection Fund. This  
20 fund shall be set aside and earmarked for payment to  
21 municipalities in this state, as hereinafter provided.



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

29           (3) The fund hereby created and denominated "Municipal Fire  
30 Protection Fund" shall be apportioned and paid over by the  
31 Department of Insurance to the incorporated municipalities  
32 certified as eligible to participate in the fund by the  
33 Commissioner of Insurance, and shall be distributed once each year  
34 on a population basis, to be determined by the most recent federal  
35 census, except as provided in subsection (4) of this section.  
36 Municipalities receiving these funds shall earmark such monies for  
37 fire protection services.

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



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

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

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

68 (7) Monies in the Municipal Fire Protection Fund may not be  
69 transferred into the State General Fund.

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



72           83-1-39. (1) The Department of Revenue shall pay over to  
73 the State Treasurer, to be credited to a fund entitled "County  
74 Volunteer Fire Department Fund," the sum of Four Million Eight  
75 Hundred Fifty Thousand Dollars (\$4,850,000.00) annually out of the  
76 insurance premium tax in addition to the amount collected by it  
77 under the provisions of Section 27-15-103 et seq. Such funds,  
78 hereinafter referred to as insurance rebate monies, are hereby  
79 earmarked for payment to the various counties of the state and  
80 shall be paid over to the counties by the Department of Insurance  
81 on the basis of the population of each county as it compares to  
82 the population of participating counties, not counting residents  
83 of any municipality. Such insurance rebate monies shall only be  
84 distributed to those counties which are in compliance with  
85 subsections (5) and (6) of this section. Of these monies, Two  
86 Hundred Fifty Thousand Dollars (\$250,000.00) shall be designated  
87 for the purposes prescribed in subsection (3)(f) of this section.

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



96 (3) Insurance rebate monies shall be expended by the board  
97 of supervisors for fire protection purposes of each county for the  
98 following categories:

99 (a) For training expenses;

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

105 (c) Purchase of insurance on county-owned firefighting  
106 equipment;

107 (d) Fire protection service contracts, including, but  
108 not limited to, municipalities, legal fire protection districts,  
109 and nonprofit corporations providing or coordinating fire service  
110 in or out of the county;

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

114 (f) Training of any county personnel as needed for the  
115 adoption of and compliance with the codes established and  
116 promulgated by the Mississippi Building Codes Council or for  
117 windstorm mitigation programs as approved by the Commissioner of  
118 Insurance. These monies shall be apportioned and distributed  
119 amongst qualifying counties. Any monies designated under this  
120 paragraph (f) that are not expended annually shall be returned to



121 the County Volunteer Fire Protection Fund to be distributed for  
122 fire protection services \* \* \*; or

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

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

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

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

141 (b) Designates one (1) member of the sheriff's  
142 department to be the county fire investigator and, from and after  
143 July 1, 2008, requires the designated member of the sheriff's  
144 department to attend the State Fire Academy to be trained in arson  
145 investigation; however, in the event of a loss of the county fire



146 investigator due to illness, death, resignation, discharge or  
147 other legitimate cause, notice shall be immediately given to the  
148 Commissioner of Insurance and the county may continue to receive  
149 payments on an interim basis for a period not to exceed one (1)  
150 year;

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

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

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



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

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

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

194 (8) Any municipal, county or local water association or  
195 other utility district supplying water may, upon adoption of a





196 resolution authorizing such action, contribute free of charge to a  
197 volunteer fire department or fire protection district serving such  
198 local government, political subdivision or utility district such  
199 water as is necessary for firefighting or training activities of  
200 such volunteer fire department or fire protection district.

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

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

214 (11) Monies in the County Volunteer Fire Department Fund may  
215 not be transferred into the State General Fund.

216 **SECTION 3.** Section 45-11-5, Mississippi Code of 1972, is  
217 brought forward as follows:

218 45-11-5. (1) Any expense, including office supplies,  
219 counsel fees, expenses of deputy, detective and officers, incurred  
220 by the Commissioner of Insurance in the performance of the duties



221 imposed upon him by Sections 45-11-1 and 45-11-3, and the  
222 operation of the State Fire Academy, as provided in Section  
223 45-11-7, shall be defrayed by all insurance companies, including  
224 stock, mutuals and reciprocals writing fire insurance, including  
225 the fire insurance components of automobile insurance, dwelling  
226 multiple peril insurance, farm multiple peril insurance and  
227 commercial multiple peril insurance, doing business in this state;  
228 and a tax of one-half of one percent ( $1/2$  of 1%) of the gross  
229 premium receipts of these fire insurance policies is hereby levied  
230 for this purpose to be collected by the State Tax Commission in  
231 the same manner as the general tax on premiums is collected as  
232 provided in Section 25-15-107. In the case of indivisible  
233 multiple peril insurance policies when the fire portion of the  
234 policy is not specified, a tax of one-half of one percent ( $1/2$  of  
235 1%) is hereby levied on forty-five percent (45%) of the gross  
236 premium receipts of these policies.

237 (2) There is created a separate account known as the "State  
238 Fire Academy Fund" for support of the State Fire Academy. Not  
239 later than the fifteenth of the month succeeding the month in  
240 which taxes under subsection (1) are collected, the State  
241 Treasurer shall transfer into this account all taxes collected  
242 under subsection (1) for the operation of the State Fire Academy.  
243 The annual expenditure for the operation of the academy shall not  
244 exceed the amount in the account; however, any unexpended funds



245 remaining in the account at the close of the fiscal year may be  
246 carried over for use in the ensuing years.

247 (3) (a) A tax of one-half of one percent (1/2 of 1%) is  
248 hereby levied on the gross premium receipts of all insurance  
249 policies taxed in subsection (1).

250 (b) Not later than the fifteenth day of each month, the  
251 State Treasurer shall disburse the revenue from the tax levied in  
252 this subsection as follows:

253 (i) Fifty percent (50%) shall be transferred into  
254 the Municipal Fire Protection Fund in Section 83-1-37; and

255 (ii) Fifty percent (50%) shall be transferred to  
256 the County Volunteer Fire Department Fund in Section 83-1-39.

257 (4) All taxes shall be deposited into the Treasury as  
258 provided in Section 7-7-21. The tax commission shall keep  
259 separate accounts of all taxes collected under this section and  
260 shall include these accounts in its annual report.

261 (5) From and after July 1, 2016, the expenses of this agency  
262 shall be defrayed by appropriation from the State General Fund and  
263 all user charges and fees authorized under this section shall be  
264 deposited into the State General Fund as authorized by law.

265 (6) From and after July 1, 2016, no state agency shall  
266 charge another state agency a fee, assessment, rent or other  
267 charge for services or resources received by authority of this  
268 section.



269           **SECTION 4.** This act shall take effect and be in force from  
270 and after its passage.

