

By: Senator(s) Carmichael

To: Accountability,
Efficiency, Transparency

SENATE BILL NO. 2467
(As Sent to Governor)

1 AN ACT TO REENACT AND AMEND SECTION 83-34-4, MISSISSIPPI CODE
2 OF 1972, TO REQUIRE MONIES DERIVED FROM THE NONADMITTED POLICY FEE
3 TO BE DEPOSITED INTO THE RURAL FIRE TRUCK FUND OR SUPPLEMENTARY
4 RURAL FIRE TRUCK FUND AND TO EXTEND THE REPEALER THEREON; TO AMEND
5 SECTION 17-23-1, MISSISSIPPI CODE OF 1972, TO AUTHORIZE AN
6 ADDITIONAL ROUND FOR THE RURAL FIRE TRUCK ACQUISITION ASSISTANCE
7 PROGRAM; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** Section 83-34-4, Mississippi Code of 1972, is
10 reenacted and amended as follows:

11 83-34-4. (1) Nonadmitted insurers shall not be assessable
12 insurers of the association. All surplus lines insurance
13 producers placing insurance through nonadmitted insurers shall
14 collect from the insured and remit to the association a
15 nonadmitted policy fee on all premiums for all insurance written
16 by such surplus lines insurance producer for a policy from a
17 nonadmitted insurer for any and all risks in this state, except
18 that policies or portions thereof that cover residential
19 earthquake risks or residential flood risks that are not written
20 through the National Flood Insurance Program shall be exempt from



21 the nonadmitted policy fee. By procuring or selling insurance on
22 property in this state from a nonadmitted insurer, each surplus
23 lines insurance producer placing insurance through a nonadmitted
24 insurer agrees to be bound by the provisions of this chapter and
25 to collect and remit the nonadmitted policy fee provided for
26 herein.

27 (2) The nonadmitted policy fee shall be a percentage of the
28 total policy premium but the nonadmitted policy fee shall not be
29 considered premium and is not subject to premium taxes or
30 commissions. However, failure to pay the nonadmitted policy fee
31 shall be treated the same as failure to pay premium. "Total
32 policy premium" includes taxes and commissions.

33 (3) The nonadmitted policy fee percentage shall be three
34 percent (3%).

35 (4) Within twenty (20) days of the end of the quarter,
36 surplus lines insurance producers placing insurance through
37 nonadmitted insurers shall remit directly to the association all
38 nonadmitted policy fees collected in the preceding quarter. In
39 addition to the nonadmitted policy fee provided for herein,
40 surplus lines insurance producers placing insurance through
41 nonadmitted insurers shall collect and remit surcharges as
42 provided by this chapter. Surplus lines insurance producers
43 placing insurance through nonadmitted insurers may designate
44 another surplus lines insurance producer that actually procured



45 the insurance from the nonadmitted carrier to collect and remit
46 the nonadmitted policy fees.

47 (5) Each insured in this state who directly procures or
48 renews insurance with a nonadmitted insurer on properties, risks
49 or exposures located or to be performed, in whole or in part, in
50 this state, other than insurance procured through a surplus lines
51 licensee, shall be subject to the nonadmitted policy fee which
52 shall be paid by the insured according to the procedures provided
53 for premium taxes in Section 83-21-17(5).

54 (6) Monies derived from the nonadmitted policy fee collected
55 under this section may be used by the association, in addition to
56 any uses provided for in Section 83-34-3(4), for education, public
57 outreach, training of building officials and other programs
58 targeted to reduce the number of policies within the association;
59 however, beginning on July 1, 2018, and ending on June 30, 2019,
60 before any fees are remitted to the association, One Million Five
61 Hundred Thousand Dollars (\$1,500,000.00) shall be diverted and
62 deposited into the Capital Expense Fund, and Four Million Five
63 Hundred Thousand Dollars (\$4,500,000.00) shall be diverted and
64 deposited into the Rural Fire Truck Fund or Supplementary Rural
65 Fire Truck Fund.

66 (7) This section shall stand repealed from and after July
67 1, * * * 2019.

68 **SECTION 2.** Section 17-23-1, Mississippi Code of 1972, is
69 amended as follows:



70 17-23-1. (1) There is established the Rural Fire Truck
71 Acquisition Assistance Program to be administered by the
72 Department of Insurance for the purpose of assisting counties and
73 municipalities in the acquisition of fire trucks.

74 (2) There is created in the State Treasury a special fund to
75 be designated as the "Rural Fire Truck Fund." The Legislature may
76 appropriate that amount necessary to fulfill the obligations
77 created under this section by the Department of Insurance, from
78 the State General Fund to such special fund, which sum shall be
79 added to the remainder of the money transferred on July 1, 1995,
80 and during the 1996 Regular Session to the Rural Fire Truck Fund.
81 Unexpended amounts remaining in the fund at the end of a fiscal
82 year shall not lapse into the State General Fund, and any interest
83 earned on amounts in the fund shall be deposited to the credit of
84 the fund. Unobligated amounts remaining in the Rural Fire Truck
85 Fund, Fund No. 3507, * * * or in any fund created for funds
86 appropriated or otherwise made available for this program, may be
87 used as matching funds by any county with remaining eligibility as
88 provided herein. It is the intent of the Legislature that the
89 Department of Insurance continue to accept applications from the
90 counties for fire trucks as provided in subsection (3) of this
91 section.

92 (3) (a) A county that meets the requirements provided
93 herein may receive an amount not to exceed * * * Seven Hundred
94 Forty Thousand Dollars (\$740,000.00) as provided in subparagraphs



95 (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x) * * *,
96 (xi) and (xii) of this paragraph, and such amount shall be divided
97 as follows: an amount of not more than Fifty Thousand Dollars
98 (\$50,000.00) per fire truck for the first six (6) trucks and not
99 more than Seventy Thousand Dollars (\$70,000.00) per fire truck for
100 the seventh, eighth, ninth, tenth and eleventh trucks, and not
101 more than Ninety Thousand Dollars (\$90,000.00) per fire truck for
102 the twelfth truck. Monies distributed under this chapter shall be
103 expended only for the purchase of new fire trucks and such trucks
104 must meet the National Fire Protection Association (NFPA)
105 standards in the 1900 series.

106 (i) Any county that has not applied for a fire
107 truck under this section is eligible to submit applications
108 for * * * twelve (12) fire trucks as follows: six (6) fire trucks
109 at not more than Fifty Thousand Dollars (\$50,000.00) per truck and
110 five (5) fire trucks at not more than Seventy Thousand Dollars
111 (\$70,000.00) per truck, and one (1) fire truck at not more than
112 Ninety Thousand Dollars (\$90,000.00) or a total of * * * Seven
113 Hundred Forty Thousand Dollars (\$740,000.00).

114 (ii) Any county that has received one (1) fire
115 truck under this section is eligible to submit applications
116 for * * * eleven (11) fire trucks as follows: * * * five (5) fire
117 trucks at not more than Fifty Thousand Dollars (\$50,000.00) per
118 truck and five (5) fire trucks at not more than Seventy Thousand
119 Dollars (\$70,000.00) per truck, and one (1) fire truck at not more



120 than Ninety Thousand Dollars (\$90,000.00) or a total of * * * Six
121 Hundred Ninety Thousand Dollars (\$690,000.00).

122 (iii) Any county that has received two (2) fire
123 trucks under this section is eligible to submit an application
124 for * * * ten (10) fire trucks as follows: four (4) fire trucks
125 at not more than Fifty Thousand Dollars (\$50,000.00) per truck and
126 five (5) fire trucks at not more than Seventy Thousand Dollars
127 (\$70,000.00) per truck, and one (1) fire truck at not more than
128 Ninety Thousand Dollars (\$90,000.00) or a total of not more
129 than * * * Six Hundred Forty Thousand Dollars (\$640,000.00).

130 (iv) Any county that has received three (3) fire
131 trucks under this section is eligible to submit an application
132 for * * * nine (9) fire trucks as follows: three (3) fire trucks
133 at not more than Fifty Thousand Dollars (\$50,000.00) per truck and
134 five (5) fire trucks at not more than Seventy Thousand Dollars
135 (\$70,000.00) per truck, and one (1) fire truck at not more than
136 Ninety Thousand Dollars (\$90,000.00) or a total of not more
137 than * * * Five Hundred Ninety Thousand Dollars (\$590,000.00).

138 (v) Any county that has received four (4) fire
139 trucks under this section is eligible to submit an application
140 for * * * eight (8) fire trucks as follows: two (2) fire trucks
141 at not more than Fifty Thousand Dollars (\$50,000.00) per truck and
142 five (5) fire trucks at not more than Seventy Thousand Dollars
143 (\$70,000.00) per truck, and one (1) fire truck at not more than



144 Ninety Thousand Dollars (\$90,000.00) or a total of not more
145 than * * * Five Hundred Forty Thousand Dollars (\$540,000.00).

146 (vi) Any county that has received five (5) fire
147 trucks under this section is eligible to submit an application
148 for * * * seven (7) fire trucks as follows: one (1) fire truck at
149 not more than Fifty Thousand Dollars (\$50,000.00) per truck and
150 five (5) fire trucks at not more than Seventy Thousand Dollars
151 (\$70,000.00) per truck, and one (1) fire truck at not more than
152 Ninety Thousand Dollars (\$90,000.00) or a total of not more
153 than * * * Four Hundred Ninety Thousand Dollars (\$490,000.00).

154 (vii) Any county that has received six (6) fire
155 trucks under this section is eligible to submit an application
156 for * * * six (6) fire trucks as follows: five (5) fire trucks at
157 not more than Seventy Thousand Dollars (\$70,000.00) per truck, and
158 one (1) fire truck at not more than Ninety Thousand Dollars
159 (\$90,000.00) or a total of not more than * * * Four Hundred Forty
160 Thousand Dollars (\$440,000.00).

161 (viii) Any county that has received seven (7) fire
162 trucks under this section is eligible to submit an application
163 for * * * five (5) fire trucks * * * as follows: four (4) fire
164 trucks at not more than Seventy Thousand Dollars (\$70,000.00) per
165 truck, and one (1) fire truck at not more than Ninety Thousand
166 Dollars (\$90,000.00) or a total of not more than Three Hundred
167 Seventy Thousand Dollars (\$370,000.00).



168 (ix) Any county that has received eight (8) fire
169 trucks under this section is eligible to submit an application
170 for * * * four (4) fire trucks * * * as follows: three (3) fire
171 trucks at not more than Seventy Thousand Dollars (\$70,000.00) per
172 truck, and one (1) fire truck at not more than Ninety Thousand
173 Dollars (\$90,000.00) or a total of not more than Three Hundred
174 Thousand Dollars (\$300,000.00).

175 (x) Any county that has received nine (9) fire
176 trucks under this section is eligible to submit an application
177 for * * * three (3) fire trucks * * * as follows: two (2) fire
178 truck at not more than Seventy Thousand Dollars (\$70,000.00) per
179 truck, and one (1) fire truck at not more than Ninety Thousand
180 Dollars (\$90,000.00) or a total of not more than Two Hundred
181 Thirty Thousand Dollars (\$230,000.00).

182 (xi) Any county that has received ten (10) fire
183 trucks under this section is eligible to submit an application
184 for * * * two (2) fire trucks as follows: one (1) fire truck at
185 not more than Seventy Thousand Dollars (\$70,000.00) per truck, and
186 one (1) fire truck at not more than Ninety Thousand Dollars
187 (\$90,000.00) or a total of not more than One Hundred Sixty
188 Thousand Dollars (\$160,000.00).

189 (xii) Any county that has received eleven (11)
190 fire trucks under this section is eligible to submit an
191 application for one (1) fire truck at not more than Ninety
192 Thousand Dollars (\$90,000.00).



193 (xiii) Any county may apply for one (1) fire truck
194 at not more than Ninety Thousand Dollars (\$90,000.00) as provided
195 in subparagraph (xii), provided that the county agrees to forego
196 any previous fire truck for which the county has not previously
197 applied, and that the county has received approval from the Rural
198 Fire Truck Acquisition Assistance Program Committee to apply for
199 and receive a truck under subparagraph (xii).

200 (b) The board of supervisors of the county shall submit
201 its request for the receipt of monies to the Department of
202 Insurance. A committee composed of the Commissioner of Insurance,
203 the State Fire Coordinator, the Director of the Rating Bureau and
204 the Director of the State Fire Academy shall review the requests
205 by the boards of supervisors and shall determine whether the
206 county or municipality for which the board of supervisors has
207 requested a truck meets the requirements of eligibility under this
208 chapter.

209 (c) To be eligible to receive monies under this
210 chapter:

211 (i) A county or municipality must pledge to set
212 aside or dedicate each year as matching funds, for a period not to
213 extend over ten (10) years, local funds in an amount equal to or
214 not less than one-tenth (1/10) of the amount of monies for which
215 it is requesting distribution from the Rural Fire Truck Fund,
216 which pledged monies may be derived from local ad valorem tax
217 authorized by law or from any other funds available to the county



218 or municipality, except for those funds received by municipalities
219 or counties from the Municipal Fire Protection Fund or the County
220 Volunteer Fire Department Fund, as defined in Sections 83-1-37 and
221 83-1-39.

222 (ii) A municipality must provide adequate
223 documentation of its contract with the county that requires the
224 municipality to provide fire protection in rural areas. The term
225 "rural areas" means any area within the county located outside the
226 boundaries of an incorporated municipality or any incorporated
227 municipality with a population of two thousand five hundred
228 (2,500) or less.

229 (d) The Department of Insurance shall maintain an
230 accurate record of all monies distributed to counties and
231 municipalities and the number of fire trucks purchased and the
232 cost for each fire truck, such records to be kept separate from
233 other records of the Department of Insurance; notify counties and
234 municipalities of the Rural Fire Truck Acquisition Assistance
235 Program and the requirements for them to become eligible to
236 participate; adopt and promulgate such rules and regulations as
237 may be necessary and desirable to implement the provisions of this
238 chapter; and file with the Legislature a report detailing how
239 monies made available under this chapter were distributed and
240 spent during the preceding portion of the fiscal year in each
241 county and municipality, the number of fire trucks purchased, the



242 counties and municipalities making such purchases, and the cost of
243 each fire truck purchased.

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

