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To: Insurance; Appropriations

SENATE BILL NO. 2602

1 AN ACT TO AMEND SECTION 83-34-4, MISSISSIPPI CODE OF 1972, TO
2 DIVERT A CERTAIN AMOUNT OF THE NONADMITTED INSURER POLICY FEE TO
3 FUND THE RURAL FIRE TRUCK AND SUPPLEMENTAL FUND, AND TO PROVIDE
4 FUNDS TO THE FIRE MARSHAL'S OFFICE FOR FIRE APPARATUS GRANTS AND
5 FIRE PROTECTION GRANTS; TO AMEND SECTION 17-23-1, MISSISSIPPI CODE
6 OF 1972, TO ALLOW USED FIRE TRUCKS THAT ARE LESS THAN FIVE YEARS
7 OLD TO BE PURCHASED UNDER THE RURAL FIRE TRUCK ACQUISITION
8 ASSISTANCE PROGRAM; AND FOR RELATED PURPOSES.

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

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

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



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

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

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

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



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

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

55 (6) Monies derived from the nonadmitted policy fee collected
56 under this section may be used by the association, in addition to
57 any uses provided for in Section 83-34-3(4), for education, public
58 outreach, training of building officials and other programs
59 targeted to reduce the number of policies within the association;
60 however, beginning on July 1, 2018, and ending on June 30, 2019,
61 before any fees are remitted to the association, One Million Five
62 Hundred Thousand Dollars (\$1,500,000.00) shall be diverted and
63 deposited into the Capital Expense Fund, and Four Million Five
64 Hundred Thousand Dollars (\$4,500,000.00) shall be diverted and
65 deposited into the Rural Fire Truck Fund or Supplementary Rural
66 Fire Truck Fund. Further, beginning July 1, 2019, and ending on
67 June 30, 2020, before any fees are remitted to the association,
68 Three Million Five Hundred Thousand Dollars (\$3,500,000.00) shall
69 be diverted and deposited into the Rural Fire Truck Fund or
70 Supplementary Rural Fire Truck Fund. Further, beginning on July



71 1, 2021, and ending on June 30, 2022, before any fees are remitted
72 to the association, Five Million Dollars (\$5,000,000.00) shall be
73 diverted and deposited into the Rural Fire Truck Fund or
74 Supplementary Rural Fire Truck Fund to be used only for the
75 purchase of fire trucks that are less than five (5) years old, and
76 One Million Dollars (\$1,000,000.00) shall be diverted and paid to
77 the State Fire Marshal's Office to be used only for fire apparatus
78 grants and fire protection grants; on or before November 1, 2022,
79 the State Fire Marshal shall file a report with the Lieutenant
80 Governor, the Speaker of the House of Representatives, and the
81 Chairmen of the Senate and House Insurance Committees providing in
82 detail how such funds were expended.

83 (7) This section shall stand repealed from and after July 1,
84 2022.

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

87 17-23-1. (1) There is established the Rural Fire Truck
88 Acquisition Assistance Program to be administered by the
89 Department of Insurance for the purpose of assisting counties and
90 municipalities in the acquisition of fire trucks.

91 (2) There is created in the State Treasury a special fund to
92 be designated as the "Rural Fire Truck Fund." The Legislature may
93 appropriate that amount necessary to fulfill the obligations
94 created under this section by the Department of Insurance, from
95 the State General Fund to such special fund, which sum shall be



96 added to the remainder of the money transferred on July 1, 1995,
97 and during the 1996 Regular Session to the Rural Fire Truck Fund.
98 Unexpended amounts remaining in the fund at the end of a fiscal
99 year shall not lapse into the State General Fund, and any interest
100 earned on amounts in the fund shall be deposited to the credit of
101 the fund. Unobligated amounts remaining in the Rural Fire Truck
102 Fund, Fund No. 3507, or in any fund created for funds appropriated
103 or otherwise made available for this program, may be used as
104 matching funds by any county with remaining eligibility as
105 provided herein. It is the intent of the Legislature that the
106 Department of Insurance continue to accept applications from the
107 counties for fire trucks as provided in subsection (3) of this
108 section.

109 (3) (a) A county that meets the requirements provided
110 herein may receive an amount not to exceed Eight Hundred Thirty
111 Thousand Dollars (\$830,000.00) as provided in subparagraphs (i),
112 (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi),
113 (xii) and (xiii) of this paragraph, and such amount shall be
114 divided as follows: an amount of not more than Fifty Thousand
115 Dollars (\$50,000.00) per fire truck for the first six (6) trucks
116 and not more than Seventy Thousand Dollars (\$70,000.00) per fire
117 truck for the seventh, eighth, ninth, tenth and eleventh trucks,
118 and not more than Ninety Thousand Dollars (\$90,000.00) per fire
119 truck for the twelfth and thirteenth truck. Monies distributed
120 under this chapter shall be expended only for the purchase of new



121 fire trucks or used trucks that are less than five (5) years old,
122 and such trucks must meet the National Fire Protection Association
123 (NFPA) standards in the 1900 series.

124 (i) Any county that has not applied for a fire
125 truck under this section is eligible to submit applications for
126 thirteen (13) fire trucks as follows: six (6) fire trucks at not
127 more than Fifty Thousand Dollars (\$50,000.00) per truck and five
128 (5) fire trucks at not more than Seventy Thousand Dollars
129 (\$70,000.00) per truck, and two (2) fire trucks at not more than
130 Ninety Thousand Dollars (\$90,000.00) per truck or a total of Eight
131 Hundred Thirty Thousand Dollars (\$830,000.00).

132 (ii) Any county that has received one (1) fire
133 truck under this section is eligible to submit applications for
134 twelve (12) fire trucks as follows: five (5) fire trucks at not
135 more than Fifty Thousand Dollars (\$50,000.00) per truck and five
136 (5) fire trucks at not more than Seventy Thousand Dollars
137 (\$70,000.00) per truck, and two (2) fire trucks at not more than
138 Ninety Thousand Dollars (\$90,000.00) per truck or a total of Seven
139 Hundred Eighty Thousand Dollars (\$780,000.00).

140 (iii) Any county that has received two (2) fire
141 trucks under this section is eligible to submit an application for
142 eleven (11) fire trucks as follows: four (4) fire trucks at not
143 more than Fifty Thousand Dollars (\$50,000.00) per truck and five
144 (5) fire trucks at not more than Seventy Thousand Dollars
145 (\$70,000.00) per truck, and two (2) fire trucks at not more than



146 Ninety Thousand Dollars (\$90,000.00) per truck or a total of not
147 more than Seven Hundred Thirty Thousand Dollars (\$730,000.00).

148 (iv) Any county that has received three (3) fire
149 trucks under this section is eligible to submit an application for
150 ten (10) fire trucks as follows: three (3) fire trucks at not
151 more than Fifty Thousand Dollars (\$50,000.00) per truck and five
152 (5) fire trucks at not more than Seventy Thousand Dollars
153 (\$70,000.00) per truck, and two (2) fire trucks at not more than
154 Ninety Thousand Dollars (\$90,000.00) per truck or a total of not
155 more than Six Hundred Eighty Thousand Dollars (\$680,000.00).

156 (v) Any county that has received four (4) fire
157 trucks under this section is eligible to submit an application for
158 nine (9) fire trucks as follows: two (2) fire trucks at not more
159 than Fifty Thousand Dollars (\$50,000.00) per truck and five (5)
160 fire trucks at not more than Seventy Thousand Dollars (\$70,000.00)
161 per truck, and two (2) fire trucks at not more than Ninety
162 Thousand Dollars (\$90,000.00) per truck or a total of not more
163 than Six Hundred Thirty Thousand Dollars (\$630,000.00).

164 (vi) Any county that has received five (5) fire
165 trucks under this section is eligible to submit an application for
166 eight (8) fire trucks as follows: one (1) fire truck at not more
167 than Fifty Thousand Dollars (\$50,000.00) per truck and five (5)
168 fire trucks at not more than Seventy Thousand Dollars (\$70,000.00)
169 per truck, and two (2) fire trucks at not more than Ninety



170 Thousand Dollars (\$90,000.00) per truck or a total of not more
171 than Five Hundred Eighty Thousand Dollars (\$580,000.00).

172 (vii) Any county that has received six (6) fire
173 trucks under this section is eligible to submit an application for
174 seven (7) fire trucks as follows: five (5) fire trucks at not
175 more than Seventy Thousand Dollars (\$70,000.00) per truck, and two
176 (2) fire trucks at not more than Ninety Thousand Dollars
177 (\$90,000.00) per truck or a total of not more than Five Hundred
178 Thirty Thousand Dollars (\$530,000.00).

179 (viii) Any county that has received seven (7) fire
180 trucks under this section is eligible to submit an application for
181 six (6) fire trucks as follows: four (4) fire trucks at not more
182 than Seventy Thousand Dollars (\$70,000.00) per truck, and two (2)
183 fire trucks at not more than Ninety Thousand Dollars (\$90,000.00)
184 per truck or a total of not more than Four Hundred Sixty Thousand
185 Dollars (\$460,000.00).

186 (ix) Any county that has received eight (8) fire
187 trucks under this section is eligible to submit an application for
188 five (5) fire trucks as follows: three (3) fire trucks at not
189 more than Seventy Thousand Dollars (\$70,000.00) per truck, and two
190 (2) fire trucks at not more than Ninety Thousand Dollars
191 (\$90,000.00) per truck or a total of not more than Three Hundred
192 Ninety Thousand Dollars (\$390,000.00).

193 (x) Any county that has received nine (9) fire
194 trucks under this section is eligible to submit an application for



195 four (4) fire trucks as follows: two (2) fire trucks at not more
196 than Seventy Thousand Dollars (\$70,000.00) per truck, and two (2)
197 fire trucks at not more than Ninety Thousand Dollars (\$90,000.00)
198 per truck or a total of not more than Three Hundred Twenty
199 Thousand Dollars (\$320,000.00).

200 (xi) Any county that has received ten (10) fire
201 trucks under this section is eligible to submit an application for
202 three (3) fire trucks as follows: one (1) fire truck at not more
203 than Seventy Thousand Dollars (\$70,000.00) per truck, and two (2)
204 fire trucks at not more than Ninety Thousand Dollars (\$90,000.00)
205 per truck or a total of not more than Two Hundred Fifty Thousand
206 Dollars (\$250,000.00).

207 (xii) Any county that has received eleven (11)
208 fire trucks under this section is eligible to submit an
209 application for two (2) fire trucks at not more than Ninety
210 Thousand Dollars (\$90,000.00) per truck.

211 (xiii) Any county may apply for two (2) fire
212 trucks at not more than Ninety Thousand Dollars (\$90,000.00) per
213 truck as provided in subparagraph (xii), provided that the county
214 agrees to forego any previous fire truck under subparagraphs (i)
215 through (xi) for which the county has not previously applied, and
216 that the county has received approval from the Rural Fire Truck
217 Acquisition Assistance Program Committee to apply for and receive
218 a truck under subparagraph (xii).



219 (b) The board of supervisors of the county shall submit
220 its request for the receipt of monies to the Department of
221 Insurance. A committee composed of the Commissioner of Insurance,
222 the State Fire Coordinator, the Director of the Rating Bureau and
223 the Director of the State Fire Academy shall review the requests
224 by the boards of supervisors and shall determine whether the
225 county or municipality for which the board of supervisors has
226 requested a truck meets the requirements of eligibility under this
227 chapter.

228 (c) To be eligible to receive monies under this
229 chapter:

230 (i) A county or municipality must pledge to set
231 aside or dedicate each year as matching funds, for a period not to
232 extend over ten (10) years, local funds in an amount equal to or
233 not less than one-tenth (1/10) of the amount of monies for which
234 it is requesting distribution from the Rural Fire Truck Fund,
235 which pledged monies may be derived from local ad valorem tax
236 authorized by law or from any other funds available to the county
237 or municipality, except for those funds received by municipalities
238 or counties from the Municipal Fire Protection Fund or the County
239 Volunteer Fire Department Fund, as defined in Sections 83-1-37 and
240 83-1-39.

241 (ii) A municipality must provide adequate
242 documentation of its contract with the county that requires the
243 municipality to provide fire protection in rural areas. The term



244 "rural areas" means any area within the county located outside the
245 boundaries of an incorporated municipality or any incorporated
246 municipality with a population of two thousand five hundred
247 (2,500) or less.

248 (d) The Department of Insurance shall maintain an
249 accurate record of all monies distributed to counties and
250 municipalities and the number of fire trucks purchased and the
251 cost for each fire truck, such records to be kept separate from
252 other records of the Department of Insurance; notify counties and
253 municipalities of the Rural Fire Truck Acquisition Assistance
254 Program and the requirements for them to become eligible to
255 participate; adopt and promulgate such rules and regulations as
256 may be necessary and desirable to implement the provisions of this
257 chapter; and file with the Legislature a report detailing how
258 monies made available under this chapter were distributed and
259 spent during the preceding portion of the fiscal year in each
260 county and municipality, the number of fire trucks purchased, the
261 counties and municipalities making such purchases, and the cost of
262 each fire truck purchased.

263 **SECTION 3.** This act shall take effect and be in force from
264 and after July 1, 2021.

