

House Amendments to Senate Bill No. 2602

TO THE SECRETARY OF THE SENATE:

THIS IS TO INFORM YOU THAT THE HOUSE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:

AMENDMENT NO. 1

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

6 **SECTION 1.** Section 83-34-4, Mississippi Code of 1972, is
7 brought forward as follows:
8 83-34-4. (1) Nonadmitted insurers shall not be assessable
9 insurers of the association. All surplus lines insurance
10 producers placing insurance through nonadmitted insurers shall
11 collect from the insured and remit to the association a
12 nonadmitted policy fee on all premiums for all insurance written
13 by such surplus lines insurance producer for a policy from a
14 nonadmitted insurer for any and all risks in this state, except
15 that policies or portions thereof that cover residential
16 earthquake risks or residential flood risks that are not written
17 through the National Flood Insurance Program shall be exempt from
18 the nonadmitted policy fee. By procuring or selling insurance on
19 property in this state from a nonadmitted insurer, each surplus
20 lines insurance producer placing insurance through a nonadmitted
21 insurer agrees to be bound by the provisions of this chapter and

22 to collect and remit the nonadmitted policy fee provided for
23 herein.

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

30 (3) The nonadmitted policy fee percentage shall be three
31 percent (3%).

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

44 (5) Each insured in this state who directly procures or
45 renews insurance with a nonadmitted insurer on properties, risks
46 or exposures located or to be performed, in whole or in part, in
47 this state, other than insurance procured through a surplus lines

48 licensee, shall be subject to the nonadmitted policy fee which
49 shall be paid by the insured according to the procedures provided
50 for premium taxes in Section 83-21-17(5).

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

67 (7) This section shall stand repealed from and after July 1,
68 2022.

69 **SECTION 2.** Section 17-23-1, Mississippi Code of 1972, is
70 brought forward as follows:

71 17-23-1. (1) There is established the Rural Fire Truck
72 Acquisition Assistance Program to be administered by the

73 Department of Insurance for the purpose of assisting counties and
74 municipalities in the acquisition of fire trucks.

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

93 (3) (a) A county that meets the requirements provided
94 herein may receive an amount not to exceed Eight Hundred Thirty
95 Thousand Dollars (\$830,000.00) as provided in subparagraphs (i),
96 (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi),
97 (xii) and (xiii) of this paragraph, and such amount shall be
98 divided as follows: an amount of not more than Fifty Thousand

99 Dollars (\$50,000.00) per fire truck for the first six (6) trucks
100 and not more than Seventy Thousand Dollars (\$70,000.00) per fire
101 truck for the seventh, eighth, ninth, tenth and eleventh trucks,
102 and not more than Ninety Thousand Dollars (\$90,000.00) per fire
103 truck for the twelfth and thirteenth truck. Monies distributed
104 under this chapter shall be expended only for the purchase of new
105 fire trucks and such trucks must meet the National Fire Protection
106 Association (NFPA) standards in the 1900 series.

107 (i) Any county that has not applied for a fire
108 truck under this section is eligible to submit applications for
109 thirteen (13) fire trucks as follows: six (6) fire trucks at not
110 more than Fifty Thousand Dollars (\$50,000.00) per truck and five
111 (5) fire trucks at not more than Seventy Thousand Dollars
112 (\$70,000.00) per truck, and two (2) fire trucks at not more than
113 Ninety Thousand Dollars (\$90,000.00) per truck or a total of Eight
114 Hundred Thirty Thousand Dollars (\$830,000.00).

115 (ii) Any county that has received one (1) fire
116 truck under this section is eligible to submit applications for
117 twelve (12) fire trucks as follows: five (5) fire trucks at not
118 more than Fifty Thousand Dollars (\$50,000.00) per truck and five
119 (5) fire trucks at not more than Seventy Thousand Dollars
120 (\$70,000.00) per truck, and two (2) fire trucks at not more than
121 Ninety Thousand Dollars (\$90,000.00) per truck or a total of Seven
122 Hundred Eighty Thousand Dollars (\$780,000.00).

123 (iii) Any county that has received two (2) fire
124 trucks under this section is eligible to submit an application for

125 eleven (11) fire trucks as follows: four (4) fire trucks at not
126 more than Fifty Thousand Dollars (\$50,000.00) per truck and five
127 (5) fire trucks at not more than Seventy Thousand Dollars
128 (\$70,000.00) per truck, and two (2) fire trucks at not more than
129 Ninety Thousand Dollars (\$90,000.00) per truck or a total of not
130 more than Seven Hundred Thirty Thousand Dollars (\$730,000.00).

131 (iv) Any county that has received three (3) fire
132 trucks under this section is eligible to submit an application for
133 ten (10) fire trucks as follows: three (3) fire trucks at not
134 more than Fifty Thousand Dollars (\$50,000.00) per truck and five
135 (5) fire trucks at not more than Seventy Thousand Dollars
136 (\$70,000.00) per truck, and two (2) fire trucks at not more than
137 Ninety Thousand Dollars (\$90,000.00) per truck or a total of not
138 more than Six Hundred Eighty Thousand Dollars (\$680,000.00).

139 (v) Any county that has received four (4) fire
140 trucks under this section is eligible to submit an application for
141 nine (9) fire trucks as follows: two (2) fire trucks at not more
142 than Fifty Thousand Dollars (\$50,000.00) per truck and five (5)
143 fire trucks at not more than Seventy Thousand Dollars (\$70,000.00)
144 per truck, and two (2) fire trucks at not more than Ninety
145 Thousand Dollars (\$90,000.00) per truck or a total of not more
146 than Six Hundred Thirty Thousand Dollars (\$630,000.00).

147 (vi) Any county that has received five (5) fire
148 trucks under this section is eligible to submit an application for
149 eight (8) fire trucks as follows: one (1) fire truck at not more
150 than Fifty Thousand Dollars (\$50,000.00) per truck and five (5)

151 fire trucks at not more than Seventy Thousand Dollars (\$70,000.00)
152 per truck, and two (2) fire trucks at not more than Ninety
153 Thousand Dollars (\$90,000.00) per truck or a total of not more
154 than Five Hundred Eighty Thousand Dollars (\$580,000.00).

155 (vii) Any county that has received six (6) fire
156 trucks under this section is eligible to submit an application for
157 seven (7) fire trucks as follows: five (5) fire trucks at not
158 more than Seventy Thousand Dollars (\$70,000.00) per truck, and two
159 (2) fire trucks at not more than Ninety Thousand Dollars
160 (\$90,000.00) per truck or a total of not more than Five Hundred
161 Thirty Thousand Dollars (\$530,000.00).

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

169 (ix) Any county that has received eight (8) fire
170 trucks under this section is eligible to submit an application for
171 five (5) fire trucks as follows: three (3) fire trucks at not
172 more than Seventy Thousand Dollars (\$70,000.00) per truck, and two
173 (2) fire trucks at not more than Ninety Thousand Dollars
174 (\$90,000.00) per truck or a total of not more than Three Hundred
175 Ninety Thousand Dollars (\$390,000.00).

176 (x) Any county that has received nine (9) fire
177 trucks under this section is eligible to submit an application for
178 four (4) fire trucks as follows: two (2) fire trucks at not more
179 than Seventy Thousand Dollars (\$70,000.00) per truck, and two (2)
180 fire trucks at not more than Ninety Thousand Dollars (\$90,000.00)
181 per truck or a total of not more than Three Hundred Twenty
182 Thousand Dollars (\$320,000.00).

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

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

194 (xiii) Any county may apply for two (2) fire
195 trucks at not more than Ninety Thousand Dollars (\$90,000.00) per
196 truck as provided in subparagraph (xii), provided that the county
197 agrees to forego any previous fire truck under subparagraphs (i)
198 through (xi) for which the county has not previously applied, and
199 that the county has received approval from the Rural Fire Truck
200 Acquisition Assistance Program Committee to apply for and receive
201 a truck under subparagraph (xii).

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

211 (c) To be eligible to receive monies under this
212 chapter:

213 (i) A county or municipality must pledge to set
214 aside or dedicate each year as matching funds, for a period not to
215 extend over ten (10) years, local funds in an amount equal to or
216 not less than one-tenth (1/10) of the amount of monies for which
217 it is requesting distribution from the Rural Fire Truck Fund,
218 which pledged monies may be derived from local ad valorem tax
219 authorized by law or from any other funds available to the county
220 or municipality, except for those funds received by municipalities
221 or counties from the Municipal Fire Protection Fund or the County
222 Volunteer Fire Department Fund, as defined in Sections 83-1-37 and
223 83-1-39.

224 (ii) A municipality must provide adequate
225 documentation of its contract with the county that requires the
226 municipality to provide fire protection in rural areas. The term
227 "rural areas" means any area within the county located outside the

228 boundaries of an incorporated municipality or any incorporated
229 municipality with a population of two thousand five hundred
230 (2,500) or less.

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

246 **SECTION 3.** This act shall take effect and be in force from
247 and after July 1, 2021, and shall stand repealed from and after
248 June 30, 2021.

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**

1 AN ACT TO BRING FORWARD SECTIONS 83-34-4 AND 17-23-1,
2 MISSISSIPPI CODE OF 1972, FOR PURPOSES OF POSSIBLE AMENDMENT
3 REGARDING THE NONADMITTED POLICY FEE AND THE RURAL FIRE TRUCK
4 ACQUISITION ASSISTANCE PROGRAM; AND FOR RELATED PURPOSES.

HR26\SB2602A.J

Andrew Ketchings
Clerk of the House of Representatives