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To: Insurance;  
Appropriations

COMMITTEE SUBSTITUTE  
FOR  
HOUSE BILL NO. 521

1 AN ACT TO AUTHORIZE THE MISSISSIPPI INSURANCE DEPARTMENT TO  
2 CREATE THE MISSISSIPPI LENGTH OF SERVICE AWARD PROGRAM (LOSAP) FOR  
3 THE RECRUITMENT AND RETENTION OF VOLUNTEER FIREFIGHTERS; TO  
4 PROVIDE THAT THE PROGRAM WILL PROVIDE PAID LENGTH OF SERVICE  
5 AWARDS TO ELIGIBLE VOLUNTEER FIREFIGHTERS; TO PROVIDE DEFINITIONS;  
6 TO PROVIDE THAT THE LOSAP SHALL BE ADMINISTERED BY THE MISSISSIPPI  
7 LENGTH OF SERVICE AWARD PROGRAM BOARD OF TRUSTEES AND TO PROVIDE  
8 THE MEMBERS WHO WILL SERVE ON THE BOARD; TO PROVIDE THE POWERS AND  
9 DUTIES OF THE LOSAP BOARD OF TRUSTEES; TO CREATE THE "MISSISSIPPI  
10 VOLUNTEER FIREFIGHTER LENGTH OF SERVICE AWARDS PROGRAM FUND"  
11 (LOSAP FUND) AND TO PROVIDE WHAT MONIES IN THE FUND MAY BE USED  
12 FOR; TO PROVIDE THAT THE MISSISSIPPI INSURANCE DEPARTMENT SHALL  
13 NOTIFY THE STATE FIRE MARSHAL AND THE LOSAP BOARD OF TRUSTEES OF  
14 ANY VOLUNTEER FIRE DEPARTMENT MEMBER WHO IS INELIGIBLE TO RECEIVE  
15 THE LOSAP FUNDS; TO AMEND SECTION 83-1-37, MISSISSIPPI CODE OF  
16 1972, TO REVISE THE AMOUNT OF THE INSURANCE TAX PREMIUM THAT IS  
17 DEPOSITED INTO THE "MUNICIPAL FIRE PROTECTION FUND" FROM ONE-HALF  
18 OF TEN PERCENT TO ONE-HALF OF TWENTY PERCENT; TO AMEND SECTION  
19 83-1-39, MISSISSIPPI CODE OF 1972, TO REVISE THE AMOUNT OF THE  
20 INSURANCE TAX PREMIUM THAT IS DEPOSITED INTO THE "COUNTY VOLUNTEER  
21 FIRE DEPARTMENT FUND" FROM ONE-HALF OF TEN PERCENT TO ONE-HALF OF  
22 TWENTY PERCENT; AND FOR RELATED PURPOSES.

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

24 **SECTION 1.** (1) The Mississippi Insurance Department shall  
25 establish the Mississippi Length of Service Award Program (LOSAP)  
26 for the recruitment and the retention of volunteer firefighters.  
27 Such program shall provide paid length of service awards to



28 eligible volunteer firefighters and shall be open to all  
29 Mississippi volunteer fire department members.

30 (2) The following words and phrases shall have the meanings  
31 as defined in this section unless the context clearly indicates  
32 otherwise:

33 (a) "Length of Service Award Program" means a program  
34 to provide paid length of service awards to eligible volunteer  
35 firefighters.

36 (b) "Eligible volunteer firefighter" means a bona fide  
37 volunteer firefighter who is registered with the State of  
38 Mississippi or a political subdivision thereof and is an active  
39 part-time or on-call member of a volunteer fire department or a  
40 volunteer firefighter. Eligible volunteer firefighter shall not  
41 include full-time firefighters or career firefighters unless such  
42 firefighters are also active eligible volunteer firefighters when  
43 they are not acting as full-time or career firefighters and meet  
44 all other required qualifications as provided by the Mississippi  
45 Length of Service Award Program Board of Trustees in collaboration  
46 with the Mississippi Insurance Department.

47 (c) "Defined contribution" means the Mississippi Length  
48 of Service Award Program Board of Trustees in collaboration with  
49 the Mississippi Insurance Department shall establish a predefined  
50 contribution that it will make each year to the eligible volunteer  
51 firefighter's LOSAP account, and the funds in the volunteer's



52 account grow until retirement age when the account is paid to the  
53 volunteer in a lump sum.

54 (3) (a) The LOSAP shall be administered by the Mississippi  
55 Length of Service Award Program Board of Trustees, which shall be  
56 comprised of the following members:

57 (i) The Commissioner of Insurance, or his or her  
58 designee;

59 (ii) The State Fire Coordinator, or his or her  
60 designee;

61 (iii) The State Treasurer, or his or her designee;  
62 and

63 (iv) The State Auditor, or his or her designee.

64 (b) The LOSAP Board of Trustees, in collaboration with  
65 the Mississippi Insurance Department, shall have the following  
66 powers and duties:

67 (i) Establish a points system to be awarded to  
68 volunteer firefighters for their performance of certain activities  
69 as determined by the board and award LOSAP service credit based  
70 upon that points system;

71 (ii) Create a list of the activities that points  
72 will be awarded for. Such list shall include, at a minimum, the  
73 number of emergency and nonemergency calls responded to by the  
74 volunteer member; the activities and training of each member as  
75 determined on an annual basis; the revenues received from the  
76 collection on behalf of the volunteer fire department member as



77 set forth in a fund for each individual member; the volunteer fire  
78 department members eligible vestment period or time to be  
79 considered as an active member of the department before the  
80 establishment of the LOSAP program on July 1, 2023.

81 (iii) Determine the annual contribution to each  
82 volunteer's LOSAP account;

83 (iv) Determine the number of years required to  
84 become vested in the LOSAP; and

85 (v) Promulgate any rules and regulations as  
86 necessary to implement the provisions of this section. All such  
87 rules and regulations shall be in compliance with 83-1-37 and  
88 83-1-39 and Section 457(e)(11) of the United States Internal  
89 Revenue Code.

90 (4) There is hereby created in the State Treasury a special  
91 fund to be known as the "Mississippi Volunteer Firefighter Length  
92 of Service Awards Program Fund" (LOSAP Fund) to be administered by  
93 the Mississippi Insurance Department. Monies shall be deposited  
94 into the fund by the State Insurance Commissioner as authorized  
95 from collections as set forth under 83-1-37 and 83-1-39 as amended  
96 to include one half of twenty percent of the growth from the Fire  
97 Insurance Premium Tax since 1990. Monies in the fund shall first  
98 be used for the purpose of providing retirement benefits as a  
99 defined contribution to volunteer firefighters for the purpose of  
100 recruiting and retaining volunteer firefighters as provided in  
101 this section. After the LOSAP has been funded, the remaining



102 amounts shall be deposited into the Fire Insurance Rebate Fund for  
103 distribution to municipal and county fire departments. Any other  
104 unexpended amounts remaining in the fund at the end of a fiscal  
105 year shall not lapse into the State General Fund, and any interest  
106 earned on amounts in the fund shall be deposited to the credit of  
107 the fund.

108 (5) The Mississippi Insurance Department shall notify the  
109 Mississippi Length of Service Award Program Board of Trustees and  
110 the State Fire Marshal of any volunteer fire department member  
111 that is ineligible to receive LOSAP funds due to the member or  
112 department's failure to file required documentation or financial  
113 reports or failure to comply with an audit or review by the  
114 Mississippi Insurance Department. A volunteer fire department  
115 member or department reported by the Mississippi Insurance  
116 Department shall be ineligible to receive funds under this section  
117 until the Mississippi Insurance Department notifies the  
118 Mississippi Length of Service Award Program Board of Trustees and  
119 the State Fire Marshal that the volunteer member or department has  
120 come into compliance.

121 **SECTION 2.** Section 83-1-37, Mississippi Code of 1972, is  
122 amended as follows:

123 83-1-37. (1) The Department of Revenue shall pay for credit  
124 to a fund known as the "Municipal Fire Protection Fund," the sum  
125 of Four Million Eight Hundred Fifty Thousand Dollars  
126 (\$4,850,000.00) annually out of the insurance premium tax



127 collected annually from the taxes levied on the gross premiums on  
128 fire insurance policies written on properties in this state, under  
129 Sections 27-15-103 through 27-15-127. The State Treasurer shall  
130 credit this amount to the Municipal Fire Protection Fund. This  
131 fund shall be set aside and earmarked for payment to  
132 municipalities in this state, as hereinafter provided.

133 (2) Using 1990 as a base year, the Department of Revenue  
134 shall pay over annually to the State Treasurer, for credit to the  
135 "Municipal Fire Protection Fund," an amount representing \* \* \*  
136 one-half of twenty percent (1/2 of 20%) of any growth after 1990  
137 of the insurance premium tax collected annually from the taxes  
138 levied on the gross premium on fire insurance policies written on  
139 properties in this state, under Sections 27-15-103 through  
140 27-15-127.

141 (3) The fund hereby created and denominated "Municipal Fire  
142 Protection Fund" shall be apportioned and paid over by the  
143 Department of Insurance to the incorporated municipalities  
144 certified as eligible to participate in the fund by the  
145 Commissioner of Insurance, and shall be distributed in the  
146 following manner annually: each municipality shall be paid Six  
147 Thousand Dollars (\$6,000.00), with the remainder of the monies to  
148 be paid on a population basis, to be determined by the most recent  
149 federal census. Municipalities receiving these funds shall  
150 earmark such monies for fire protection services.



151 (4) The amount paid under subsections (1) and (2) of this  
152 section to a municipality shall be used and expended in accordance  
153 with the guidelines established by the Commissioner of Insurance  
154 authorized by Section 45-11-7, for the training of municipal  
155 personnel as needed for the adoption of and compliance with the  
156 minimum building codes as established and promulgated by the  
157 Mississippi Building Codes Council, for windstorm mitigation  
158 programs as approved by the Commissioner of Insurance, \* \* \* for  
159 emergency medical service training and equipment as provided by  
160 municipal fire protection services and for the Mississippi Length  
161 of Service Awards Program as provided in Section 1 of this act. A  
162 municipality may provide reasonable remuneration to municipal  
163 volunteer firefighters in accordance with the guidelines  
164 established by the Commissioner of Insurance authorized by Section  
165 45-11-7.

166 (5) Each municipality shall levy a tax of not less than  
167 one-fourth (1/4) mill on all property of the municipality or  
168 appropriate the avails of not less than one-fourth (1/4) mill from  
169 the municipality's general fund for fire protection purposes.  
170 Municipalities may allow such millage to be collected by the  
171 county. Each municipality shall annually provide the Commissioner  
172 of Insurance and the State Fire Coordinator on a form provided by  
173 the State Fire Coordinator a report stating whether the  
174 municipality is levied the one-fourth (1/4) mill hereby required



175 or in lieu thereof is allowing such millage to be collected by the  
176 county.

177 (6) The Commissioner of Insurance may promulgate rules and  
178 regulations to establish guidelines for the use of fire rebate  
179 funds.

180 **SECTION 3.** Section 83-1-39, Mississippi Code of 1972, is  
181 amended as follows:

182 83-1-39. (1) The Department of Revenue shall pay over to  
183 the State Treasurer, to be credited to a fund entitled "County  
184 Volunteer Fire Department Fund," the sum of Four Million Eight  
185 Hundred Fifty Thousand Dollars (\$4,850,000.00) annually out of the  
186 insurance premium tax in addition to the amount collected by it  
187 under the provisions of Section 27-15-103 et seq. Such funds,  
188 hereinafter referred to as insurance rebate monies, are hereby  
189 earmarked for payment to the various counties of the state and  
190 shall be paid over to the counties by the Department of Insurance  
191 in the following manner: each county shall be paid Thirty  
192 Thousand Dollars (\$30,000.00), with the remainder of the monies to  
193 be paid on the basis of the population of each county as it  
194 compares to the population of participating counties, not counting  
195 residents of any municipality. Such insurance rebate monies shall  
196 only be distributed to those counties which are in compliance with  
197 subsections (5) and (6) of this section.

198 (2) Using 1990 as a base year, the Department of Revenue  
199 shall pay to the State Treasurer, to be credited to the "County





200 Volunteer Fire Department Fund," an amount representing \* \* \*  
201 one-half of twenty percent (1/2 of 20%) of any growth after 1990  
202 of the insurance premium tax collected annually from the taxes  
203 levied on the gross premium on fire insurance policies written on  
204 properties in this state, in addition to the amount collected by  
205 it under Section 27-15-103 et seq.

206 (3) Insurance rebate monies shall be expended by the board  
207 of supervisors for fire protection purposes of each county for the  
208 following categories:

209 (a) For training expenses, including emergency medical  
210 services training;

211 (b) Purchase of equipment, purchase of fire trucks,  
212 repair and refurbishing of fire trucks and firefighting equipment,  
213 for emergency medical services equipment, and capital construction  
214 anywhere in the county or pledging as security for a period of not  
215 more than ten (10) years for such purchases;

216 (c) Purchase of insurance on county-owned firefighting  
217 or emergency medical services equipment;

218 (d) Fire protection service contracts, including, but  
219 not limited to, municipalities, legal fire protection districts,  
220 and nonprofit corporations providing or coordinating fire service  
221 or emergency medical services in or out of the county;

222 (e) Appropriations to legal fire protection districts  
223 located in counties subject to all restrictions applicable to the  
224 use of insurance rebate monies;



225 (f) Training of any county personnel as needed for the  
226 adoption of and compliance with the codes established and  
227 promulgated by the Mississippi Building Codes Council or for  
228 windstorm mitigation programs as approved by the Commissioner of  
229 Insurance;

230 (g) Any county-owned equipment or other property, at  
231 the option of the board of supervisors, may be used by any legally  
232 created fire department;

233 (h) At the option of the board of supervisors, a county  
234 may provide reasonable remuneration to volunteer firefighters in  
235 accordance with the guidelines established by the Commissioner of  
236 Insurance authorized by Section 45-11-7; \* \* \*

237 (i) For the Mississippi Length of Service Awards  
238 Program as provided in Section 1 of this act; or

239 ( \* \* \*j) For any use allowed in accordance with the  
240 guidelines as established by the Commissioner of Insurance.

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

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



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

256 (b) Designates one (1) member of the sheriff's  
257 department to be the county fire investigator and, from and after  
258 July 1, 2008, requires the designated member of the sheriff's  
259 department to attend the State Fire Academy to be trained in arson  
260 investigation; however, in the event of a loss of the county fire  
261 investigator due to illness, death, resignation, discharge or  
262 other legitimate cause, notice shall be immediately given to the  
263 Commissioner of Insurance and the county may continue to receive  
264 payments on an interim basis for a period not to exceed one (1)  
265 year;

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

268 (d) Counties shall levy a tax of not less than  
269 one-fourth (1/4) mill on all property of the county or appropriate  
270 avails of not less than one-fourth (1/4) mill from the county's  
271 general fund for fire protection purposes. Municipalities making  
272 a written declaration to the county that they fund and provide  
273 their own fire services shall be exempted from this levy. This  
274 levy shall be used for fire protection purposes which include, but



275 are not limited to, contracting with any provider of fire  
276 protection services.

277 (6) (a) No funds shall be paid by the county to any  
278 provider of fire protection services except in accordance with a  
279 written contract entered into in accordance with guidelines  
280 established by the Commissioner of Insurance and properly approved  
281 by the board of supervisors and Commissioner of Insurance. No  
282 county shall distribute funds to any fire service provider which  
283 has not met the reporting requirements required by the  
284 Commissioner of Insurance. At such time that a fire protection  
285 services provider, particularly a county volunteer fire  
286 department, a municipality or a fire protection district, has  
287 fulfilled the obligations of the written contract and has met the  
288 reporting requirements provided for in this subsection and the  
289 board of supervisors has received the insurance rebate monies, the  
290 board of supervisors shall disburse the appropriate amount to the  
291 fire protection services provider within a reasonable time, not to  
292 exceed six (6) weeks, from the time such requirements are met.  
293 Insurance rebate monies used for the purposes of contracting shall  
294 be expended by the fire service provider for capital construction,  
295 training expenses, purchase of firefighting equipment, including  
296 payments on any loans made for the purpose of purchasing  
297 firefighting equipment, purchase of insurance for any fire  
298 equipment owned or operated by the provider, and for training and



299 equipment of emergency medical services as provided by fire  
300 protection services.

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

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

311 (8) Any municipal, county or local water association or  
312 other utility district supplying water may, upon adoption of a  
313 resolution authorizing such action, contribute free of charge to a  
314 volunteer fire department or fire protection district serving such  
315 local government, political subdivision or utility district such  
316 water as is necessary for firefighting or training activities of  
317 such volunteer fire department or fire protection district.

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



324 spread upon the minutes of the board of supervisors when the work  
325 is authorized.

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

331 (11) The Commissioner of Insurance may promulgate rules and  
332 regulations to establish guidelines for the use of fire rebate  
333 funds.

334 **SECTION 4.** This act shall take effect and be in force from  
335 and after July 1, 2023, and shall stand repealed on June 30, 2023.

