

By: Representative Formby

To: Insurance; County
Affairs

HOUSE BILL NO. 1312

1 AN ACT TO AMEND SECTION 83-1-39, MISSISSIPPI CODE OF 1972, TO
2 PROVIDE THAT NO COUNTY SHALL RECEIVE INSURANCE REBATE MONIES UNTIL
3 THE COUNTY DESIGNATES A MEMBER OF THE SHERIFF'S DEPARTMENT TO BE
4 THE COUNTY FIRE INVESTIGATOR AND REQUIRES THE DESIGNATED MEMBER TO
5 ATTEND THE STATE FIRE ACADEMY FOR ARSON INVESTIGATION TRAINING;
6 AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 83-1-39, Mississippi Code of 1972, is
9 amended as follows:

10 83-1-39. (1) The State Tax Commission shall pay over to the
11 State Treasurer, to be credited to a fund entitled "County
12 Volunteer Fire Department Fund," the sum of Four Million Six
13 Hundred Thousand Dollars (\$4,600,000.00) annually out of the
14 insurance premium tax in addition to the amount collected by it
15 under the provisions of Section 27-15-103 et seq. Such funds,
16 hereinafter referred to as insurance rebate monies, are hereby
17 earmarked for payment to the various counties of the state and
18 shall be paid over to the counties by the Department of Insurance
19 on the basis of the population of each county as it compares to
20 the population of participating counties, not counting residents
21 of any municipality. Such insurance rebate monies shall only be
22 distributed to those counties which are in compliance with
23 subsections (5) and (6) of this section.

24 (2) Using 1990 as a base year, the State Tax Commission
25 shall pay to the State Treasurer, to be credited to the "County
26 Volunteer Fire Department Fund," an amount representing one-half
27 of ten percent (1/2 of 10%) of any growth after 1990 of the
28 insurance premium tax collected annually from the taxes levied on
29 the gross premium on fire insurance policies written on properties

30 in this state, in addition to the amount collected by it under
31 Section 27-15-103 et seq.

32 (3) Insurance rebate monies shall be expended by the board
33 of supervisors for fire protection purposes of each county as
34 follows:

35 (a) For training expenses;

36 (b) Purchase of equipment, purchase of fire trucks,
37 repair and refurbishing of fire trucks and fire fighting
38 equipment, and capital construction anywhere in the county or
39 pledging as security for a period of not more than ten (10) years
40 for such purchases;

41 (c) Purchase of insurance on county-owned fire fighting
42 equipment;

43 (d) Fire protection service contracts, including, but
44 not limited to, municipalities, legal fire protection districts,
45 and nonprofit corporations providing or coordinating fire service
46 in or out of the county; or

47 (e) Appropriations to legal fire protection districts
48 located in counties subject to all restrictions applicable to the
49 use of insurance rebate monies.

50 Any county-owned equipment or other property, at the option of the
51 board of supervisors, may be used by any legally created fire
52 department.

53 (4) Insurance rebate monies not expended in a given fiscal
54 year for fire protection purposes shall be placed in a special
55 fund with a written plan approved by the Commissioner of Insurance
56 for disposition and expenditure of such monies. After the
57 contracts for fire protection services have been approved and
58 accepted by the board of supervisors, the monies shall be released
59 to be expended in such manner as provided by this section.

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

62 (a) Designates a county fire service coordinator who is
63 responsible for seeing that standard guidelines established by the
64 Commissioner of Insurance pursuant to Section 45-11-7(9),
65 Mississippi Code of 1972, are followed. The county fire
66 coordinator must demonstrate that he possesses fire-related
67 knowledge and experience;

68 (b) Designates one (1) member of the sheriff's
69 department to be the county fire investigator and requires the
70 designated member of the sheriff's department to attend the State
71 Fire Academy to be trained in arson investigation;

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

74 (d) Counties shall levy a tax of not less than
75 one-fourth (1/4) mill on all property of the county or appropriate
76 avails of not less than one-fourth (1/4) mill from the county's
77 general fund for fire protection purposes. Municipalities making
78 a written declaration to the county that they fund and provide
79 their own fire services shall be exempted from this levy. This
80 levy shall be used for fire protection purposes which include, but
81 are not limited to, contracting with any provider of fire
82 protection services.

83 (6) (a) No funds shall be paid by the county to any
84 provider of fire protection services except in accordance with a
85 written contract entered into in accordance with guidelines
86 established by the Commissioner of Insurance and properly approved
87 by the board of supervisors and Commissioner of Insurance. No
88 county shall distribute funds to any fire service provider which
89 has not met the reporting requirements required by the
90 Commissioner of Insurance. At such time that a fire protection
91 services provider, particularly a county volunteer fire
92 department, a municipality or a fire protection district, has
93 fulfilled the obligations of the written contract and has met the
94 reporting requirements provided for in this subsection and the

95 board of supervisors has received the insurance rebate monies, the
96 board of supervisors shall disburse the appropriate amount to the
97 fire protection services provider within a reasonable time, not to
98 exceed six (6) weeks, from the time such requirements are met.

99 Insurance rebate monies used for the purposes of contracting shall
100 be expended by the fire service provider for capital construction,
101 training expenses, purchase of fire fighting equipment, including
102 payments on any loans made for the purpose of purchasing fire
103 fighting equipment, and purchase of insurance for any fire
104 equipment owned or operated by the provider.

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

110 (7) The board of supervisors of any county may contribute
111 funds directly to any provider of fire protection services serving
112 such county. Such contributions must be used for fire protection
113 purposes as may be reasonably established by the Commissioner of
114 Insurance.

115 (8) Any municipal, county or local water association or
116 other utility district supplying water may, upon adoption of a
117 resolution authorizing such action, contribute free of charge to a
118 volunteer fire department or fire protection district serving such
119 local government, political subdivision or utility district such
120 water as is necessary for fire fighting or training activities of
121 such volunteer fire department or fire protection district.

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

128 spread upon the minutes of the board of supervisors when the work
129 is authorized.

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

135 **SECTION 2.** This act shall take effect and be in force from
136 and after July 1, 2007.