4/13/18 10:49 A.M.

Chapter No. 459
18/SS26/R313SG
_____/lh/ro

SENATE BILL NO. 2467

Originated in Senate Liz Welch Secretary

SENATE BILL NO. 2467

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(vi) Any county that has received five (5) fire trucks under this section is eligible to submit an application for * * * seven (7) fire trucks as follows: one (1) fire truck at not more than Fifty Thousand Dollars ($50,000.00) per truck and five (5) fire trucks at not more than Seventy Thousand Dollars ($70,000 00) per truck, and one (1) fire truck at not more than Ninety Thousand Dollars ($90,000.00) or a total of not more than * * * Four Hundred Ninety Thousand Dollars ($490,000.00).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PASSED BY THE SENATE
March 27, 2018

Tate Reeves

PRESIDENT OF THE SENATE

PASSED BY THE HOUSE OF REPRESENTATIVES
March 27, 2018

Philip Gunn

SPEAKER OF THE HOUSE OF REPRESENTATIVES

APPROVED BY THE GOVERNOR

Phil Bryant

GOVERNOR

April 13, 2018
10:49 am