

By: Representatives Scoggin, Rushing,
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To: Insurance;
Appropriations

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.

