

*As Engrossed: 2/26/92 2/27/92*

1 **State of Arkansas**  
2 **78th General Assembly**  
3 **First Extraordinary Session, 1992**  
4 **By: Reps. Holland, Maddox, Hawkins, Wagner**

**A Bill ACT 10 OF 1992**

Call Item 18  
HOUSE BILL 1032

**For An Act To Be Entitled**

"AN ACT TO MAKE AN APPROPRIATION FOR THE DEPARTMENT OF FINANCE AND ADMINISTRATION-DISBURSING OFFICER FOR ADDITIONAL FUNDING OF ARKANSAS FIRE DEPARTMENTS FOR THE BIENNIAL PERIOD ENDING JUNE 30, 1993; TO CREATE THE FIRE PROTECTION PREMIUM TAX FUND, TO AMEND ARKANSAS CODE §§14-284-403 ET SEQ. AND §26-57-614, TO AMEND ACT 897 OF 1991; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. APPROPRIATIONS. There is hereby appropriated, to the Department of Finance and Administration-Disbursing Officer, to be payable from the Fire Protection Premium Tax Fund, for additional funding of Arkansas fire departments as provided in Arkansas Code §26-57-614 and §§14-284-401 et seq., for the biennial period ending June 30, 1993, the following:

ITEM	FISCAL YEARS	
NO.	1991-92	1992-93
(01) FIRE PROTECTION SERVICES, EQUIPMENT AND CAPITAL OUTLAY	<u>\$10,000,000</u>	<u>\$20,000,000</u>

SECTION 2. Arkansas Code 14-284-116(d) is amended to read as follows:

"(d) The board shall make no contract for the purchase of material or equipment costing five hundred dollars (\$500) or more except upon sealed bids opened in public, and it shall be the duty of the secretary of the district to call on the telephone or notify in person not less than ten (10) property holders, not less than forty-eight (48) hours or more than one (1) week before the time of receiving the bids. The secretary shall also deliver to the daily

1 *papers in the county and at least one (1) weekly paper a news item notice of*  
2 *intention to receive bids on certain equipment."*

3

4 SECTION 3. FIRE PROTECTION PREMIUM TAX FUND. (a) There is hereby  
5 created upon the books of the State Treasurer, State Auditor and Chief Fiscal  
6 Officer of the State a special revenue fund to be known as the Fire Protection  
7 Premium Tax Fund, which shall consist of insurance premium taxes for  
8 additional fire protection services, equipment and capital outlay as provided  
9 in Arkansas Code §26-57-614 and §§14-284-401 et seq.

10 (b) The Insurance Commissioner shall immediately deposit all monies  
11 collected under the provisions of Arkansas Code §26-57-614 and §§14-284-401 et  
12 seq. into the Revenue Holding Fund Account as provided in Arkansas Code  
13 §19-5-204. On the last business day of each quarter, the Chief Fiscal Officer  
14 of the State shall determine the amount of net special revenues to be  
15 transferred to the Fire Protection Premium Tax Fund by the State Treasurer.  
16 The Chief Fiscal Officer shall be the disbursing officer for the fund, and  
17 shall distribute the monies as provided in Arkansas Code §26-57-614 and §§14-  
18 284-401 et seq.

19 (c) The Insurance Commissioner shall disburse any refunds which may be  
20 due insurance carriers from the Miscellaneous Revolving Fund after certifying  
21 to the Chief Fiscal Officer the amount to be refunded. The Chief Fiscal  
22 Officer shall direct that the certified amount be transferred from the Revenue  
23 Holding Fund to the Miscellaneous Revolving Fund as provided in Arkansas Code  
24 §19-5-106 (a) (3).

25

26 SECTION 4. Arkansas Code §14-284-403 (a) (1) is hereby amended to read  
27 as follows: "(a) (1) These premium tax moneys are assessed for disbursement  
28 from the Fire Protection Premium Tax Fund by the Department of Finance and  
29 Administration to the counties in the following percentages:

30 Arkansas County - 0.78%, Ashley County - 1.39%, Baxter County - 1.78%,  
31 Benton County - 3.86%, Boone County - 1.46%, Bradley County - 0.52%, Calhoun  
32 County - 0.51%, Carroll County - 0.97%, Chicot County - 0.51%, Clark County -  
33 1.13%, Clay County - 1.10%, Cleburne County - 1.11%, Cleveland County - 0.66%,  
34 Columbia County - 1.24%, Conway County - 1.04%, Craighead County - 2.91%,  
35 Crawford County - 1.98%, Crittenden County - 1.32%, Cross County - 0.84%,  
36 Dallas County - 0.45%, Desha County - 0.71%, Drew County - 0.80%, Faulkner

1 County - 2.30%, Franklin County - 0.97%, Fulton County - 0.84%, Garland County  
 2 - 3.12%, Grant County - 1.13%, Greene County - 1.39%, Hempstead County -  
 3 1.89%, Hot Spring County - 1.46%, Howard County - 0.75%, Independence County -  
 4 1.90%, Izard County - 0.91%, Jackson County - 0.95%, Jefferson County - 2.32%,  
 5 Johnson County - 1.05%, Lafayette County - 0.71%, Lawrence County - 0.96%, Lee  
 6 County - 0.73%, Lincoln County - 1.12%, Little River County - 0.77%, Logan  
 7 County - 1.06%, Lonoke County - 1.70%, Madison County - 0.95%, Marion County -  
 8 1.00%, Miller County - 1.44%, Mississippi County - 1.77%, Monroe County -  
 9 0.53%, Montgomery County - 0.66%, Nevada County - 0.58%, Newton County -  
 10 0.67%, Ouachita County - 1.37%, Perry County - 0.62%, Phillips County - 1.12%,  
 11 Pike County - 0.87%, Poinsett County - 1.14%, Polk County - 1.01%, Pope County  
 12 - 1.73%, Prairie County - 0.83%, Pulaski County - 5.99%, Randolph County -  
 13 0.96%, St. Francis County - 1.45%, Saline County - 3.00%, Scott County -  
 14 0.59%, Searcy County - 0.73%, Sebastian County - 2.06%, Sevier County - 0.82%,  
 15 Sharp County - 1.30%, Stone County - 0.77%, Union County - 2.01%, Van Buren  
 16 County - 1.18%, Washington County - 3.46%, White County - 2.71%, Woodruff  
 17 County - 0.47%, Yell County - 1.11%.

18           (2) (a) The moneys shall be apportioned by each quorum court to  
 19 the districts and municipalities within the county based upon population  
 20 unless the County Intergovernmental Cooperation Council notifies the quorum  
 21 court of the fire protection needs of the districts and municipalities, in  
 22 which case the moneys shall be apportioned by the quorum court based on those  
 23 needs. Such funds shall be distributed to municipalities and those certified  
 24 departments in districts which are in compliance with this subchapter and §§  
 25 20-22-801 - 20-22-809. Fire departments which are not certified by the Office  
 26 of Fire Protection Services pursuant to §§ 20-22-801 - 20-22-809 shall also be  
 27 eligible to receive moneys disbursed under this section so long as all moneys  
 28 *received or spent directly on equipment, training, capital improvements, or*  
 29 *other expenditures necessary for upgrading the service provided by the*  
 30 *department.*

31           (b) Disbursements shall be made on forms prescribed by the  
 32 Department of Finance and Administration."

33

34           SECTION 5. Arkansas Code §14-284-405 (a) is hereby amended to read as  
 35 follows: "(a) No rural volunteer fire department or district shall receive

1 payments or disbursements from the Fire Protection Premium Tax Fund unless the  
2 county quorum court and the board of commissioners of the fire protection  
3 district designate the current county fire service coordinator or designate a  
4 county fire service coordinator who shall be responsible for seeing that  
5 standard guidelines established by the Arkansas Fire Protection Services Board  
6 pursuant to §§20-22-801 et seq., are followed."

7  
8 SECTION 6. Arkansas Code 14-284-405 (c) (5) is hereby amended to read as  
9 follows: "(5) Any rural fire department or district which fails to expend  
10 funds in due compliance with the provisions of this subchapter shall not be  
11 eligible for new or additional funds from the Fire Protection Premium Tax Fund  
12 until the department or district reimburses the fund in the exact amount of  
13 those moneys improperly retained or expended."

14  
15 SECTION 7. Arkansas Code §26-57-614 (b), (c), (d) and (e) is hereby  
16 amended to read as follows: "(b) In addition to the premium taxes collected  
17 from insurers under other provisions of Arkansas law, each authorized insurer  
18 and each formerly authorized insurer shall pay to the Fire Protection Premium  
19 Tax Fund a tax at the rate of one-half of one percent (0.5%) on net direct  
20 written premiums for coverages upon real and personal property, including, but  
21 not limited to, fire, allied lines, farm owner and home owner multiple peril,  
22 vehicle physical damage, and vehicle collision, or any combination thereof.

23 (c) This tax shall be collected by the Insurance Commissioner from the  
24 insurers at the same time and in the same manner as provided in the premium  
25 tax sections of the laws of this state under §§26-57-601 et seq. and deposited  
26 into the Fire Protection Premium Tax Fund.

27 (d) Assessments upon which this premium tax is based shall be made on  
28 forms prescribed by the Arkansas Insurance Commissioner.

29 (e) Premium tax payments shall be made upon company checks payable to the  
30 Fire Protection Premium Tax Fund."

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32 SECTION 8. Section 12 of Act 897 of 1991 is hereby amended to read as  
33 follows: "SECTION 12. APPROPRIATIONS - REFUNDS OF OVERPAYMENTS. There is  
34 hereby appropriated, to the State Insurance Department, to be payable from the  
35 Miscellaneous Revolving Fund, for the payment of miscellaneous tax and fee

1 refunds by the State Insurance Department for the biennial period ending June  
2 30, 1993, the following:

3 ITEM	FISCAL YEARS	
4 <u>NO.</u>	1991-92	1992-93
5 (01) MISC TAX & FEE REFUNDS	<u>\$8,000,000</u>	<u>\$11,000,000"</u>

6

7 SECTION 9. COMPLIANCE WITH OTHER LAWS. Disbursement of funds  
8 authorized by this Act shall be limited to the appropriation for such agency  
9 and funds made available by law for the support of such appropriations; and  
10 the restrictions of the State Purchasing Law, the General Accounting and  
11 Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary  
12 Procedures and Restrictions Act, or their successors, and other fiscal control  
13 laws of this State, where applicable, and regulations promulgated by the  
14 Department of Finance and Administration, as authorized by law, shall be  
15 strictly complied with in disbursement of said funds.

16

17 SECTION 10. LEGISLATIVE INTENT. It is the intent of the General  
18 Assembly that any funds disbursed under the authority of the appropriations  
19 contained in this Act shall be in compliance with the stated reasons for which  
20 this Act was adopted, as evidenced by the Agency Requests, Executive  
21 Recommendations and Legislative Recommendations contained in the budget  
22 manuals prepared by the Department of Finance and Administration, letters, or  
23 summarized oral testimony in the official minutes of the Arkansas Legislative  
24 Council or Joint Budget Committee which relate to its passage and adoption.

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26 SECTION 11. CODE. All provisions of this Act of a general and  
27 permanent nature are amendatory to the Arkansas Code of 1987 Annotated and  
28 the Arkansas Code Revision Commission shall incorporate the same in the Code.

29

30 SECTION 12. SEVERABILITY. If any provision of this Act or the  
31 application thereof to any person or circumstance is held invalid, such  
32 invalidity shall not affect other provisions or applications of the Act which  
33 can be given effect without the invalid provision or application, and to this  
34 end the provisions of this Act are declared to be severable.

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1 SECTION 13. GENERAL REPEALER. All laws and parts of laws in conflict  
2 with this Act are hereby repealed.

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4 SECTION 14. EMERGENCY CLAUSE. It is hereby found and determined by the  
5 Seventy-Eighth General Assembly, meeting in First Extraordinary Session, that  
6 an appropriation to the Department of Finance and Administration is necessary  
7 in order to disburse funds collected after January 1, 1992, under the  
8 provisions of Arkansas Code §§14-284-401 et seq. and §26-57-614, and that the  
9 creation of the Fire Protection Premium Tax Fund will allow those monies to be  
10 disbursed for the provision of adequate fire protection services in the most  
11 efficient manner. Therefore, an emergency is hereby declared to exist and  
12 this Act being necessary for the immediate preservation of the public peace,  
13 health and safety shall be in full force and effect from and after its passage  
14 and approval.

15  
16 /s/J. Holland, et al

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18 APPROVED: 3-4-92

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