

1 State of Arkansas  
2 89th General Assembly  
3 Regular Session, 2013  
4

# A Bill

HOUSE BILL 1129

5 By: Representative Rice  
6

## For An Act To Be Entitled

8 AN ACT TO CLARIFY THE USE OF INSURANCE PREMIUM TAXES;  
9 AND FOR OTHER PURPOSES.  
10

### Subtitle

11 TO CLARIFY THE USE OF INSURANCE PREMIUM  
12 TAXES.  
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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19 SECTION 1. Arkansas Code § 14-284-403(a)(2), concerning the  
20 apportionment of insurance premium taxes, is amended to read as follows:

21 (2)(A) The moneys shall be apportioned by each quorum court to  
22 the districts and municipalities within the county based upon population  
23 unless the county intergovernmental cooperation council notifies the quorum  
24 court of the fire protection needs of the districts and municipalities, in  
25 which case the moneys shall be apportioned by the quorum court based on those  
26 needs.

27 (B) The ~~fund~~ moneys shall be distributed to  
28 municipalities and those certified departments in districts that are in  
29 compliance with this subchapter, § 20-22-801 et seq., and § 6-21-106.

30 (C) Fire departments that are not certified by the Office  
31 of Fire Protection Services under § 20-22-801 et seq. shall also be eligible  
32 to receive moneys disbursed under this section so long as all moneys received  
33 are spent directly on equipment, training, capital improvements, insurance  
34 for buildings, utility costs, or other expenditures necessary for upgrading  
35 the service provided by the department.

36 (D)(i) An inactive fire department, as determined by the



1 county judge, is not eligible to receive moneys disbursed under this section.

2 (ii) Any moneys allocated by the county  
 3 intergovernmental cooperation council and any moneys that would have been  
 4 apportioned to an inactive fire department based upon population shall be  
 5 disbursed by the quorum court to the active departments based upon fire  
 6 protection needs.

7 (iii) If a quorum court has passed a resolution that  
 8 reallocates the moneys remaining after the disbursement of moneys under this  
 9 section, then the moneys shall be reallocated based upon the quorum court  
 10 resolution.

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 12 SECTION 2. Arkansas Code § 14-284-404 is amended to read as follows:

13 14-284-404. Use of funds ~~to defray training expenses and for purchase~~  
 14 ~~and improvement of equipment.~~

15 (a)(1) ~~Such~~ The funds shall be used:

16 (A) ~~to~~ To defray training expenses of fire fighters at the  
 17 Arkansas Fire Training Academy and fire training centers certified by the  
 18 Arkansas Fire Protection Services Board;

19 (B) ~~for~~ For the purchase and improvement of, or for  
 20 pledging as security for a period of not more than ten (10) years in the  
 21 financing of the purchase and improvement of, fire fighting equipment and  
 22 initial capital construction or improvements of fire departments;

23 (C) For insurance for buildings; or

24 (D) For utility costs.

25 (2) Municipalities, fire departments, and districts must expend  
 26 or allocate for expenditure all funds received under ~~the provisions of~~  
 27 subchapter on or before the expiration of twelve (12) months from the date of  
 28 receipt.

29 (3) Any excess or surplus funds which are not expended or  
 30 allocated for expenditure within ~~such~~ each twelve-month period shall be  
 31 remitted to the fund no later than sixty (60) days following the expiration  
 32 of ~~such~~ each twelve-month period.

33 (b) ~~Such equipment~~ Equipment funded under this section shall be used  
 34 by the municipalities and departments located in fire protection districts  
 35 which have been duly formed or established under the provisions of § 14-284-  
 36 201 et seq.

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2 SECTION 3. Arkansas Code § 14-284-406(a)(2), concerning use of  
3 insurance premium taxes in certain areas, is amended to read as follows:

4 (2)(A) In addition to funds the municipality is otherwise  
5 entitled to under this subchapter, the municipality serving any such  
6 designated area shall receive the funds ~~which~~ that the rural volunteer fire  
7 department or fire protection district would have been eligible to receive.

8 (B) The funds shall be used by the municipality to provide  
9 training ~~and~~, to purchase equipment necessary to provide fire protection in  
10 the designated unincorporated area in compliance with this subchapter, to  
11 purchase insurance for buildings, or to pay utility costs.

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14 APPROVED: 02/14/2013  
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