

Hall of the House of Representatives
83rd General Assembly - Regular Session, 2001
Amendment Form

Subtitle of House Bill No. 2617

"AN ACT CONCERNING THE APPORTIONMENT OF INSURANCE PREMIUM TAX
REVENUES FOR FIRE PROTECTION."

Amendment No. 3 to House Bill No. 2617.

Amend House Bill No. 2617 as engrossed, H3/15/01:

Add Senator Wilkinson as a cosponsor of the bill

AND

Page 1, delete lines 9 through 14 and substitute the following:
"AN ACT TO AMEND ARKANSAS CODE TITLE 14, CHAPTER 284, SUBCHAPTER 4 TO ADD AN
ADDITIONAL SECTION TO ALLOCATE PREMIUM TAXES TO RURAL AND SMALL TOWN FIRE
DEPARTMENTS; TO AMEND ARKANSAS CODE 26-57-611 AND 26-57-614 TO PROVIDE FOR
FURTHER DISBURSEMENT OF PREMIUM TAXES FOR FIRE PROTECTION, AND FOR OTHER
PURPOSES. "

AND

Page 1, delete line 17 through 19 and substitute the following:
"AN ACT TO ALLOCATE PREMIUM TAXES TO RURAL AND SMALL TOWN FIRE DEPARTMENTS
FOR FIRE PROTECTION"

AND

Delete Section 1 and substitute the following:

"SECTION 1. Arkansas Code Title 14, Chapter 284, Subchapter 4, is
amended to add an additional section to read as follows:

14-284-412. Rural and small town fire departments.

(a) It is hereby found and determined by the General Assembly of the
State of Arkansas that:

(1) Additional funding is needed to improve the fire protection
services in rural areas and small towns of this state;

(2) Rural and small town fire departments with the highest
number of ISO classifications need to receive a larger portion of funding for
equipment and training to reduce those classifications; and

(3) Insurance premium taxes being levied should be reallocated
to those rural and small fire departments to provide adequate fire protection

services for the property of citizens through the use of properly trained and equipped fire fighters.

(b)(1) There is established on the books of the Treasurer of State, Auditor of State, and Chief Fiscal Officer of the State a fund to be known as the Rural and Small Town Fire Protection Fund.

(2) This fund shall consist of a portion of the taxes levied on insurers exceeding the amounts allocated after July 1, 2002 designated for support of rural and small town fire departments programs, there to be used for those purposes as set out in subsection (e) of this section.

(c) Beginning on July 1, 2002, and each July 1 thereafter, the Rural and Small Town Fire Department Protection Fund shall have deposited in to the fund the premium taxes collected under §§ 26-57-604, 26-57-605, and 26-57-614 that exceeds the amount of those premium taxes collected during the fiscal year ending June 30, 2001.

(d)(1) Beginning July 1, 2003, a portion of the premium tax moneys allocated to the Rural and Small Town Fire Protection Fund shall be disbursed annually by the Department of Finance and Administration through the Office of Fire Protection Services as follows:

(A) Five percent (5%) of the year ending balance for the prior year shall be divided evenly among the ISO Class 5 rural and small town fire departments;

(B) Five percent (5%) of the year ending balance for the prior year shall be divided evenly among the ISO Class 6 rural and small town fire departments;

(C) Ten percent (10%) of the year ending balance for the prior year shall be divided evenly among the ISO Class 7 rural and small town fire departments;

(D) Twenty-five percent (25%) of the year ending balance for the prior year shall be divided evenly among the ISO Class 8 rural and small town fire departments;

(E) Fifty percent (50%) of the year ending balance for the prior year shall be divided evenly among the ISO Class 9 rural and small town fire departments; and

(F) Five percent (5%) of the year ending balance for the prior year shall be divided evenly among the ISO Class 10 rural and small town fire departments.

(2) For the purpose of distributing funds as described in subdivisions (b)(1)(A) - (E) of this section, fire departments serving areas with split ISO classifications shall be deemed to be included within the highest ISO classification number under subdivisions (b)(1)(A) - (E) of this section in that fire department's split ISO classification.

(e) Funds from the Rural and Small Town Fire Protection Fund shall be used for the purchase of equipment, capital improvements, and training.

(f) As used in this section, "rural and small town fire department" means any volunteer or other fire department which is certified by the Office of Fire Protection Services pursuant to §§ 20-22-801 - 20-22-809 and which serves a rural unincorporated area of a county or which serves an area including an incorporated town, or both.

(g)(1) No rural or small town fire department shall receive payments from the Rural and Small Town Fire Protection Fund until a written proposal stating the following information has been approved by the county quorum court and the Arkansas Fire Protection Services Board:

- (A) Amount of funds requested;
- (B) Purpose for which funds will be expended;
- (C) Plans for training of fire fighters; and
- (D) Anticipated time of completion of project.

(2)(A) Rural and small town fire departments shall supply the necessary statistical and operational information to the Arkansas Fire Protection Services Board and county quorum court as required.

(B) The quorum court of each county shall file reports on January 15 annually with the State Auditor and Department of Finance and Administration stating how these funds were expended during the preceding twelve (12) months.

(C) Each rural or small town fire department which receives these funds shall file reports on December 1 annually with the quorum court stating how the funds were expended during the preceding twelve (12) months.

(D) If any quorum court or rural or small town fire department fails to make the reports, the fire departments shall not be eligible for new or additional funds until the reports are filed.

(E) Any rural or small town fire department which fails to expend funds in compliance with this section shall not be eligible for new or additional funds from the Rural and Small Town Fire Protection Fund until the department reimburses the fund in the exact amount of those moneys improperly retained or expended.

SECTION 2. Arkansas Code 26-57-611 is amended to read as follows:
26-57-611. Disposition of nonallocated funds.

~~The (a) Until July 1, 2002, the commissioner shall deposit all premium taxes collected under this subchapter which are not allocated and appropriated for the various funds under § 11-9-101 et seq. for the Arkansas Fire and Police Pension Review Board and firemen's relief and pension funds under §§ 24-11-809, 24-11-810, and 26-57-609 and for the Arkansas Fire and Police Pension and Review Board and police officer's pension and relief funds under § 24-11-301 in the State Treasury as general revenues.~~

(b)(1) Beginning July 1, 2002 and after, the commissioner shall deposit all premium taxes collected under this subchapter which are not allocated and appropriated for the various funds under § 11-9-101 et seq. for the Arkansas Fire and Police Pension Review Board and firemen's relief and pension funds under §§ 24-11-809, 24-11-810, and 26-57-609 and for the Arkansas Fire and Police Pension and Review Board and police officer's pension and relief funds under § 24-11-301 in the State Treasury as general revenues until the amount equals the amount of funds deposited to general revenues during the fiscal year ending June 30, 2001; and

(2) After the amount equals the amount of funds deposited to general revenues during the fiscal year ending June 30, 2001, the commissioner shall deposit the remaining premium taxes allocated under this section in the State Treasury to the Rural and Small Town Fire Protection Fund."

AND

Page 3, line 21, delete "SECTION 2." and substitute "SECTION 3.

AND

Page 3, lines 33 and 34, delete "Rural and Small Town Fire Protection Fund and"

AND

Page 4, line 20, delete "Rural and Small Town Fire Protection Fund and the"

The Amendment was read _____

By: Representative McMellon

EN/VJF - 032720011532

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Chief Clerk