

1 **State of Arkansas**
2 **78th General Assembly**
3 **First Extraordinary Session, 1992**
4 **By: Joint Budget Committee**

A Bill

Call Item 18

HOUSE BILL

For An Act To Be Entitled

8 "AN ACT TO MAKE AN APPROPRIATION FOR THE DEPARTMENT OF
9 FINANCE AND ADMINISTRATION-DISBURSING OFFICER FOR
10 ADDITIONAL FUNDING OF ARKANSAS FIRE DEPARTMENTS FOR THE
11 BIENNIAL PERIOD ENDING JUNE 30, 1993; TO CREATE THE FIRE
12 PROTECTION PREMIUM TAX FUND, TO AMEND ARKANSAS CODE §§14-
13 284-403 ET SEQ. AND §26-57-614, TO AMEND ACT 897 OF 1991;
14 AND FOR OTHER PURPOSES."

15

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

17

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

23

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

28

29 SECTION 2. FIRE PROTECTION PREMIUM TAX FUND. (a) There is hereby
30 created upon the books of the State Treasurer, State Auditor and Chief Fiscal
31 Officer of the State a special revenue fund to be known as the Fire Protection
32 Premium Tax Fund, which shall consist of insurance premium taxes for
33 additional fire protection services, equipment and capital outlay as provided
34 in Arkansas Code §26-57-614 and §§14-284-401 et seq.

35 (b) The Insurance Commissioner shall immediately deposit all monies

1 collected under the provisions of Arkansas Code §26-57-614 and §§14-284-401 et
2 seq. into the Revenue Holding Fund Account as provided in Arkansas Code
3 §19-5-204. On the last business day of each quarter, the Chief Fiscal Officer
4 of the State shall determine the amount of net special revenues to be
5 transferred to the Fire Protection Premium Tax Fund by the State Treasurer.
6 The Chief Fiscal Officer shall be the disbursing officer for the fund, and
7 shall distribute the monies as provided in Arkansas Code §26-57-614 and §§14-
8 284-401 et seq.

9 (c) The Insurance Commissioner shall disburse any refunds which may be
10 due insurance carriers from the Miscellaneous Revolving Fund after certifying
11 to the Chief Fiscal Officer the amount to be refunded. The Chief Fiscal
12 Officer shall direct that the certified amount be transferred from the Revenue
13 Holding Fund to the Miscellaneous Revolving Fund as provided in Arkansas Code
14 §19-5-106 (a) (3).

15

16 SECTION 3. Arkansas Code §14-284-403 (a) (1) is hereby amended to read
17 as follows: "(a) (1) These premium tax moneys are assessed for disbursement
18 from the Fire Protection Premium Tax Fund by the Department of Finance and
19 Administration to the counties in the following percentages:

20 Arkansas County - 0.78%, Ashley County - 1.39%, Baxter County - 1.78%,
21 Benton County - 3.86%, Boone County - 1.46%, Bradley County - 0.52%, Calhoun
22 County - 0.51%, Carroll County - 0.97%, Chicot County - 0.51%, Clark County -
23 1.13%, Clay County - 1.10%, Cleburne County - 1.11%, Cleveland County - 0.66%,
24 Columbia County - 1.24%, Conway County - 1.04%, Craighead County - 2.91%,
25 Crawford County - 1.98%, Crittenden County - 1.32%, Cross County - 0.84%,
26 Dallas County - 0.45%, Desha County - 0.71%, Drew County - 0.80%, Faulkner
27 County - 2.30%, Franklin County - 0.97%, Fulton County - 0.84%, Garland County
28 - 3.12%, Grant County - 1.13%, Greene County - 1.39%, Hempstead County -
29 1.89%, Hot Spring County - 1.46%, Howard County - 0.75%, Independence County -
30 1.90%, Izard County - 0.91%, Jackson County - 0.95%, Jefferson County - 2.32%,
31 Johnson County - 1.05%, Lafayette County - 0.71%, Lawrence County - 0.96%, Lee
32 County - 0.73%, Lincoln County - 1.12%, Little River County - 0.77%, Logan
33 County - 1.06%, Lonoke County - 1.70%, Madison County - 0.95%, Marion County -
34 1.00%, Miller County - 1.44%, Mississippi County - 1.77%, Monroe County -
35 0.53%, Montgomery County - 0.66%, Nevada County - 0.58%, Newton County -

1 0.67%, Ouachita County - 1.37%, Perry County - 0.62%, Phillips County - 1.12%,
2 Pike County - 0.87%, Poinsett County - 1.14%, Polk County - 1.01%, Pope County
3 - 1.73%, Prairie County - 0.83%, Pulaski County - 5.99%, Randolph County -
4 0.96%, St. Francis County - 1.45%, Saline County - 3.00%, Scott County -
5 0.59%, Searcy County - 0.73%, Sebastian County - 2.06%, Sevier County - 0.82%,
6 Sharp County - 1.30%, Stone County - 0.77%, Union County - 2.01%, Van Buren
7 County - 1.18%, Washington County - 3.46%, White County - 2.71%, Woodruff
8 County - 0.47%, Yell County - 1.11%.

9 (2) (a) The moneys shall be apportioned by each quorum court to
10 the districts and municipalities within the county based upon population
11 unless the County Intergovernmental Cooperation Council notifies the quorum
12 court of the fire protection needs of the districts and municipalities, in
13 which case the moneys shall be apportioned by the quorum court based on those
14 needs. Such funds shall be distributed to municipalities and those certified
15 departments in districts which are in compliance with this subchapter and §§
16 20-22-801 - 20-22-809. Fire departments which are not certified by the Office
17 of Fire Protection Services pursuant to §§ 20-22-801 - 20-22-809 shall also be
18 eligible to receive moneys disbursed under this section so long as all moneys
19 received are spent directly on upgrading the level of service provided by the
20 department to specifically meet minimum certification standards.

21 (b) Disbursements shall be made on forms prescribed by the
22 Department of Finance and Administration."
23

24 SECTION 4. Arkansas Code §14-284-405 (a) is hereby amended to read as
25 follows: "(a) No rural volunteer fire department or district shall receive
26 payments or disbursements from the Fire Protection Premium Tax Fund unless the
27 county quorum court and the board of commissioners of the fire protection
28 district designate the current county fire service coordinator or designate a
29 county fire service coordinator who shall be responsible for seeing that
30 standard guidelines established by the Arkansas Fire Protection Services Board
31 pursuant to §§20-22-801 et seq., are followed."
32

33 SECTION 5. Arkansas Code 14-284-405 (c) (5) is hereby amended to read as
34 follows: "(5) Any rural fire department or district which fails to expend
35 funds in due compliance with the provisions of this subchapter shall not be

1 eligible for new or additional funds from the Fire Protection Premium Tax Fund
2 until the department or district reimburses the fund in the exact amount of
3 those moneys improperly retained or expended."
4

5 SECTION 6. Arkansas Code §26-57-614 (b), (c), (d) and (e) is hereby
6 amended to read as follows: "(b) In addition to the premium taxes collected
7 from insurers under other provisions of Arkansas law, each authorized insurer
8 and each formerly authorized insurer shall pay to the Fire Protection Premium
9 Tax Fund a tax at the rate of one-half of one percent (0.5%) on net direct
10 written premiums for coverages upon real and personal property, including, but
11 not limited to, fire, allied lines, farm owner and home owner multiple peril,
12 vehicle physical damage, and vehicle collision, or any combination thereof.

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

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

19 (e) Premium tax payments shall be made upon company checks payable to the
20 Fire Protection Premium Tax Fund."
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22 SECTION 7. Section 12 of Act 897 of 1991 is hereby amended to read as
23 follows: "SECTION 12. APPROPRIATIONS - REFUNDS OF OVERPAYMENTS. There is
24 hereby appropriated, to the State Insurance Department, to be payable from the
25 Miscellaneous Revolving Fund, for the payment of miscellaneous tax and fee
26 refunds by the State Insurance Department for the biennial period ending June
27 30, 1993, the following:

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

31
32 SECTION 8. COMPLIANCE WITH OTHER LAWS. Disbursement of funds
33 authorized by this Act shall be limited to the appropriation for such agency
34 and funds made available by law for the support of such appropriations; and
35 the restrictions of the State Purchasing Law, the General Accounting and

1 Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary
2 Procedures and Restrictions Act, or their successors, and other fiscal control
3 laws of this State, where applicable, and regulations promulgated by the
4 Department of Finance and Administration, as authorized by law, shall be
5 strictly complied with in disbursement of said funds.

6

7 SECTION 9. LEGISLATIVE INTENT. It is the intent of the General
8 Assembly that any funds disbursed under the authority of the appropriations
9 contained in this Act shall be in compliance with the stated reasons for which
10 this Act was adopted, as evidenced by the Agency Requests, Executive
11 Recommendations and Legislative Recommendations contained in the budget
12 manuals prepared by the Department of Finance and Administration, letters, or
13 summarized oral testimony in the official minutes of the Arkansas Legislative
14 Council or Joint Budget Committee which relate to its passage and adoption.

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16 SECTION 10. CODE. All provisions of this Act of a general and
17 permanent nature are amendatory to the Arkansas Code of 1987 Annotated and
18 the Arkansas Code Revision Commission shall incorporate the same in the Code.

19

20 SECTION 11. SEVERABILITY. If any provision of this Act or the
21 application thereof to any person or circumstance is held invalid, such
22 invalidity shall not affect other provisions or applications of the Act which
23 can be given effect without the invalid provision or application, and to this
24 end the provisions of this Act are declared to be severable.

25

26 SECTION 12. GENERAL REPEALER. All laws and parts of laws in conflict
27 with this Act are hereby repealed.

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29 SECTION 13. EMERGENCY CLAUSE. It is hereby found and determined by the
30 Seventy-Eighth General Assembly, meeting in First Extraordinary Session, that
31 an appropriation to the Department of Finance and Administration is necessary
32 in order to disburse funds collected after January 1, 1992, under the
33 provisions of Arkansas Code §§14-284-401 et seq. and §26-57-614, and that the
34 creation of the Fire Protection Premium Tax Fund will allow those monies to be
35 disbursed for the provision of adequate fire protection services in the most

1 efficient manner. Therefore, an emergency is hereby declared to exist and
2 this Act being necessary for the immediate preservation of the public peace,
3 health and safety shall be in full force and effect from and after its passage
4 and approval.

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