

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 85th General Assembly  
3 Regular Session, 2005

# A Bill

HOUSE BILL 2553

4  
5 By: Representative Wyatt  
6  
7

## For An Act To Be Entitled

8  
9 AN ACT TO INCREASE THE PREMIUM TAX; TO ESTABLISH  
10 THE ARKANSAS EMERGENCY PREPAREDNESS FUND; AND FOR  
11 OTHER PURPOSES.  
12

## Subtitle

13  
14 AN ACT TO INCREASE THE PREMIUM TAX AND  
15 TO ESTABLISH THE ARKANSAS EMERGENCY  
16 PREPAREDNESS FUND.  
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 SECTION 1. Arkansas Code Title 26, Chapter 57, Subchapter 6 is amended  
22 to add a new section to read as follows:

23 26-57-617. Arkansas Emergency Preparedness Fund.

24 (a)(1) In addition to the tax imposed in § 26-57-603, each authorized,  
25 unauthorized, or formerly authorized domestic, foreign, and alien insurer  
26 shall pay to the Treasurer of State through the Insurance Commissioner as a  
27 tax imposed for the privilege of transacting business in this state, an  
28 additional tax of one-half of one percent (0.5%) on the net premiums and net  
29 considerations collected as premiums for general liability coverage and for  
30 motor vehicle coverage.

31 (2) The premiums written for general liability coverage and for  
32 motor vehicle coverage, including, but not limited to, liability,  
33 comprehensive, collision, personal injury, and uninsured motorist and  
34 underinsured motorist coverage, shall be reported at the same time and in the  
35 same manner and context as prescribed by the commissioner for taxes levied  
36 under § 26-57-603.



1           (3) The tax on the premiums shall be paid on a quarterly  
2 estimate basis as prescribed by the commissioner and shall be reconciled  
3 annually at the time of filing the annual report required in § 26-57-603.

4           (b) The premium tax moneys collected under subsection (a) of this  
5 section shall be deposited by the Treasurer of State into the Arkansas  
6 Emergency Preparedness Fund to be disbursed as authorized in this section.

7           (c)(1) Thirty-four percent (34%) of the premium tax moneys collected  
8 and deposited into the Arkansas Emergency Preparedness Fund under subsection  
9 (a) of this section shall be disbursed quarterly by the Department of Finance  
10 and Administration to the existing local emergency jurisdictions.

11           (2) The quarterly disbursement of the premium tax moneys to the  
12 existing local emergency jurisdictions shall be disbursed in the following  
13 percentages:

14                   (A) Seventy-five percent (75%) to be equally divided among  
15 the existing seventy-five (75) county local emergency jurisdictions; and

16                   (B) Twenty-five percent (25%) to be divided among all  
17 existing local emergency jurisdictions based on the population of each local  
18 emergency jurisdiction according to the most recent official and published  
19 federal census as a percentage of the state population.

20           (3) For a local emergency jurisdiction to be eligible to receive  
21 funds from the Arkansas Emergency Preparedness Fund:

22                   (A) The local emergency jurisdiction must:

23                           (i) Be in compliance with all requirements of the  
24 National Incident Management System;

25                           (ii) Be a member of the intrastate mutual aid  
26 agreement;

27                           (iii) Develop and maintain an up-to-date emergency  
28 operations plan and submit the plan to the Arkansas Department of Emergency  
29 Management; and

30                           (iv) Fulfill and complete all training exercises  
31 required by the state and federal exercise plans; and

32                   (B) Beginning August 1, 2006, the full-time local  
33 emergency jurisdiction coordinator shall be certified to provide training in  
34 defibrillator operation to all requesting local personnel for fire  
35 departments, schools, churches, and businesses.

36           (4) The funds shall only be used for:

1                   (A) Funding a dedicated full-time local emergency  
 2 jurisdiction coordinator position;

3                   (B) Enhancing emergency equipment and security-related  
 4 equipment;

5                   (C) Providing programs in the use and operation of  
 6 emergency equipment, firefighting equipment, motor vehicle extraction  
 7 equipment, defibrillators, and security-related equipment;

8                   (D) Providing programs authorized by law for local  
 9 volunteer firefighters and rural firefighters; and

10                   (E) Grant writing and grant matching.

11                   (5) Funds received by a local emergency jurisdiction that are  
 12 not used or are not used in compliance with subsection (c) of this section,  
 13 must be returned to the Arkansas Emergency Preparedness Fund within one (1)  
 14 year from the date the funds were received.

15                   (d)(1) Sixty-six percent (66%) of the premium tax moneys collected and  
 16 deposited in the Arkansas Emergency Preparedness Fund under subsection (a) of  
 17 this section shall be disbursed quarterly by the Department of Finance and  
 18 Administration to the local volunteer fire departments and rural volunteer  
 19 fire improvement districts.

20                   (2) The quarterly disbursement of the premium tax moneys to the  
 21 local volunteer fire departments and rural volunteer fire improvement  
 22 districts shall be disbursed as follows:

23                   (A) Equal shares of seven hundred fifty dollars (\$750)  
 24 shall be disbursed on a quarterly basis to each local volunteer fire  
 25 department and rural volunteer fire improvement district with an annual  
 26 certification for the preceding calendar year by the Director of the Office  
 27 of Fire Protection Services of the Arkansas Department of Emergency  
 28 Management; and

29                   (B) The remaining funds shall be disbursed as funding  
 30 permits to each local volunteer fire department and rural volunteer fire  
 31 improvement district in the form of a special needs supplement of seven  
 32 hundred fifty dollars (\$750) disbursed quarterly and strictly on the basis of  
 33 need as reflected by the annual certification of fire suppression ability as  
 34 assigned for the preceding calendar year and issued by the Insurance Service  
 35 Office.

36                   (3) To be eligible to receive funds from the Arkansas Emergency

1 Preparedness Fund, the local volunteer fire departments and rural volunteer  
 2 fire improvement districts must obtain an annual certification by the  
 3 Director of the Office of Fire Protection Services under § 20-22-806.

4 (4) The funds shall only be used for:

5 (A) Purchasing emergency response equipment, including,  
 6 but not limited to, emergency equipment, firefighting equipment, motor  
 7 vehicle extraction equipment, defibrillators, and security-related equipment;

8 (B) Providing programs and training in the use and  
 9 operation of the emergency response equipment;

10 (C) Providing programs and training authorized by law for  
 11 local volunteer firefighters and rural firefighters; and

12 (D) Grant writing and grant matching.

13 (5) Excess funds for a quarter shall carry forward to the next  
 14 quarter, year, and biennium and shall be used to increase the next quarterly  
 15 disbursement made under subdivision (d)(1) of this section in equal shares.

16 (6) Funds received by a local volunteer fire department or rural  
 17 volunteer fire improvement district that are not used or are not used in  
 18 compliance with subsection (d) of this section, must be returned to the  
 19 Arkansas Emergency Preparedness Fund within one (1) year of the date the  
 20 funds were received.

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 22 SECTION 2. Arkansas Code Title 19, Chapter 6, Subchapter 4 is amended  
 23 to add a new section to read as follows:

24 19-6-499. Arkansas Emergency Preparedness Fund.

25 (a) The Arkansas Emergency Preparedness Fund shall consist of premium  
 26 tax revenues as specified in § 26-57-617.

27 (b) The fund shall be used by local emergency jurisdictions, local  
 28 volunteer fire departments, and rural volunteer fire improvement districts as  
 29 provided in § 26-57-617.

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 31 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the  
 32 General Assembly of the State of Arkansas that due to the threat of terrorism  
 33 since the events of September 11, 2001, additional funds are needed to  
 34 prepare the local emergency jurisdictions, local volunteer fire departments,  
 35 and rural volunteer fire improvement districts for disaster, and that this  
 36 act is immediately necessary because of the continued threat of terrorist

1 acts and to protect the citizens of the State of Arkansas. Therefore, an  
2 emergency is declared to exist and this act being immediately necessary for  
3 the preservation of the public peace, health, and safety shall become  
4 effective on:

5 (1) The date of its approval by the Governor;

6 (2) If the bill is neither approved nor vetoed by the Governor,  
7 the expiration of the period of time during which the Governor may veto the  
8 bill; or

9 (3) If the bill is vetoed by the Governor and the veto is  
10 overridden, the date the last house overrides the veto.

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