

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
4

As Engrossed: H4/1/05
A Bill

HOUSE BILL 2553

5 By: Representative Wyatt
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8 **For An Act To Be Entitled**

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

13 **Subtitle**

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)(1) 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 grants as authorized in this
7 section.

8 (2) The funds and the recipients of the funds shall be audited
9 by legislative audit to assure the funds are used in accordance with this
10 section pursuant to the implementation plan of the Arkansas Association of
11 Resource Conservation and Development Councils.

12 (3) The Arkansas Association of Resource Conservation and
13 Development Councils may promulgate rules, prescribe forms, and develop an
14 implementation plan for the proper enforcement of this section.

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

19 (2) The quarterly disbursement of the premium tax moneys to the
20 existing local emergency jurisdictions shall be disbursed in the following
21 percentages:

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

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

28 (3) For a local emergency jurisdiction to be eligible to receive
29 funds from the Arkansas Emergency Preparedness Fund, the local emergency
30 jurisdiction must:

31 (A) Be in compliance with all requirements of the Arkansas
32 Department of Emergency Management;

33 (B) Develop and maintain an up-to-date emergency
34 operations plan and submit the plan to the Arkansas Department of Emergency
35 Management; and

36 (C) Fulfill and complete all training exercises

1 required by the state and federal exercise plans.

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

3 (A) Funding a dedicated full-time local emergency
4 jurisdiction coordinator position;

5 (B) Enhancing emergency equipment and security-related
6 equipment;

7 (C) Providing programs in the use and operation of
8 emergency equipment, firefighting equipment, motor vehicle extrication
9 equipment, defibrillators, and security-related equipment;

10 (D) Providing programs authorized by law for certified
11 fire departments; and

12 (E) Grant writing and grant matching.

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

17 (d)(1)(A) Sixty-six percent (66%) of the premium tax moneys collected
18 and deposited in the Arkansas Emergency Preparedness Fund under subsection
19 (a) of this section shall be disbursed quarterly by the Department of Finance
20 and Administration to the Arkansas Association of Resource Conservation and
21 Development Councils under the oversight of the Soil and Water Commission.

22 (B)(i) Fifty percent (50%) of the funds received by the
23 Arkansas Association of Resource Conservation and Development Councils shall
24 be disbursed on an equal basis to each certified fire department in State of
25 Arkansas.

26 (ii) The county of residence of the headquarters for
27 the fire department shall serve as the pass-through entity pursuant to the
28 implementation plan of the Arkansas Association of Resource Conservation and
29 Development Councils.

30 (iii) The funds shall only be used for fire
31 suppression, fire rescue equipment, and equipment tests required by the
32 Insurance Service Office.

33 (C)(i) The remaining fifty percent (50%) of the funds
34 received by the Arkansas Association of Resource Conservation and Development
35 Councils shall be disbursed to certified fire department and rural volunteer
36 fire improvement districts with a certification by the Director of the Office

1 of Fire Protection Services of the Arkansas Department of Emergency
 2 Management in the form of a special needs supplement grant allocated on the
 3 basis of need as reflected by the annual certification of fire suppression
 4 ability as assigned by the Insurance Service Office and on the basis of
 5 feasibility in conjunction with the stated objective of lowering the
 6 applicant's Insurance Service Office rating and lowering the insurance
 7 premiums for the insurance policy holders in that district.

8 (ii) The county of residence of the headquarters for
 9 the fire department shall serve as the pass through entity pursuant to the
 10 implementation plan of the Arkansas Association of Resource Conservation and
 11 Development Councils.

12 (2) To be eligible to receive grant funds from the Arkansas
 13 Emergency Preparedness Fund, the fire departments must be certified by the
 14 Director of the Office of Fire Protection Services under § 20-22-806.

15 (3) The funds shall only be used for:

16 (A) Fire suppression;

17 (B) Fire rescue equipment; and

18 (C) Equipment tests required by the Insurance Service
 19 Office.

20 (4) Funds received by a fire department that are not used or are
 21 not used in compliance with subsection (d) of this section must be returned
 22 to the Arkansas Emergency Preparedness Fund within one (1) year of the date
 23 the funds were received, unless the funds are being held for a purchase
 24 authorized by a grant application for equipment purchase approved by the
 25 Arkansas Association of Resource Conservation and Development Councils.

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

29 19-6-499. Arkansas Emergency Preparedness Fund.

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

32 (b) The fund shall be used by local emergency jurisdictions and fire
 33 departments certified by the Director of the Office of Fire Protection
 34 Services of the Arkansas Department of Emergency Management.

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 36 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the

1 General Assembly of the State of Arkansas that due to emergencies that
2 threaten loss of life and property from fires, motor vehicle accidents,
3 natural disasters, and terrorism; that due to the reduction in federal
4 assistance and funding, additional funds are needed to prepare the local
5 emergency jurisdictions and fire departments for all such emergencies; and
6 that this act is immediately necessary to protect the citizens of the State
7 of Arkansas and their property. Therefore, an emergency is declared to exist
8 and this act being immediately necessary for the preservation of the public
9 peace, health, and safety shall become effective on:

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

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

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

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17 /s/ Wyatt
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