

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
89th General Assembly  
Regular Session, 2013

# A Bill

HOUSE BILL 1129

By: Representative Rice

## For An Act To Be Entitled

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

### Subtitle

TO CLARIFY THE USE OF INSURANCE PREMIUM  
TAXES.

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

SECTION 1. Arkansas Code § 14-284-403(a)(2), concerning the apportionment of insurance premium taxes, is amended to read as follows:

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

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

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

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



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

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

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

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

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

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

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

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

(C) For insurance for buildings; or

(D) For utility costs.

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

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

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

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

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

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