

State of South Dakota

EIGHTY-THIRD SESSION
LEGISLATIVE ASSEMBLY, 2008

651P0005

SENATE BILL NO. 66

Introduced by: Senators Jerstad, Hanson (Gary), Hoerth, and Katus and Representatives Lucas, Gassman, and Nygaard

1 FOR AN ACT ENTITLED, An Act to provide for the awarding of matching grants to certain
2 fire departments and to increase the fire insurance premium tax.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 10-44-9 be amended to read as follows:

5 10-44-9. Every insurance company doing fire insurance business in this state, including a
6 fire reciprocal insurer under chapter 58-34, shall pay in addition to the tax set forth in § 10-44-2
7 ~~one-half of one percentum~~ an amount equal to 0.75 percent of the gross premium receipts of
8 ~~such~~ the company on all fire insurance business done in this state during the year next preceding
9 as shown by its annual statement.

10 Section 2. That § 10-44-9.1 be amended to read as follows:

11 10-44-9.1. On July fifteenth of each year the secretary of the Department of Revenue and
12 Regulation shall determine the amount of fire insurance premium tax collected by the state
13 under the provisions of §§ 10-44-2 and 10-44-9 for the previous calendar year. ~~Thirty~~ The first
14 thirty thousand dollars of that amount is hereby annually appropriated to the Department of
15 Public Safety for distribution to the South Dakota Firefighters Association, Incorporated, for



1 training at state and district fire schools. ~~Fifty~~ The next five hundred thousand dollars of that
2 amount shall be deposited annually in the fire department improvement fund established
3 pursuant to section 3 of this Act. Fifty-five percent of the amount remaining shall be distributed
4 according to § 10-44-9.4.

5 All amounts determined for distribution pursuant to § 10-44-9.4 are hereby appropriated out
6 of the general fund to the Department of Public Safety. Each fire department receiving funds
7 from the fire insurance premium tax pursuant to § 10-44-9.4 shall continue to receive an amount
8 not less than the amount received on July 1, 1989.

9 Section 3. There is hereby created a special fund in the state treasury known as the fire
10 department improvement fund. Money in the fund shall be used to provide matching fire
11 department improvement grants to eligible fire departments and to administer the grant program
12 as provided in section 4 of this Act. The fund consists of money deposited pursuant to section
13 2 of this Act, interest on investments, principal and interest on loans made from the fund, and
14 moneys from all legal public and private sources, including legislative appropriations and
15 federal grants. Money may be expended from the fund as determined in the general
16 appropriations act according to Title 4.

17 Section 4. The Department of Public Safety shall use money appropriated from the fire
18 department improvement fund to provide matching fire department improvement grants to
19 eligible fire departments beginning January 1, 2009, and no later than each May fifteenth,
20 thereafter, subject to the following limitations:

- 21 (1) To be eligible for a grant, a fire department shall be certified pursuant to § 10-44-9.2;
- 22 (2) No grant may exceed ten thousand dollars;
- 23 (3) The applicant shall match the grant on a dollar-for-dollar basis;
- 24 (4) The grant may be used only for equipment purchases or capital expenditures

1 necessary to provide fire protection services; and

2 (5) No applicant may receive more than one grant per fiscal year.

3 In awarding grants under this section, the department shall to the extent possible select
4 applicants from all parts of the state based upon need. An amount not to exceed two percent of
5 the fund may be used for additional staff and resources to administer the grant program in each
6 fiscal year.

7 Section 5. The Department of Public Safety shall submit a written report to the Legislature
8 within sixty days after the fire department improvement grants have been made. The report shall
9 contain the amount of each grant and the name of the recipients.

10 Section 6. The Department of Public Safety shall promulgate rules pursuant to chapter 1-26
11 to specify eligibility criteria, application and award procedures and requirements, and reporting
12 requirements to govern the awarding, use, and administration of fire department improvement
13 grants.