

GENERAL ASSEMBLY OF NORTH CAROLINA
1987 SESSION

CHAPTER 709
HOUSE BILL 166

AN ACT TO PROVIDE MATCHING FUNDS TO REDUCE RURAL FIRE
INSURANCE RATES.

The General Assembly of North Carolina enacts:

Section 1. Chapter 118 of the General Statutes is amended by adding at the end a new Article to read:

"Article 5.

"Rural Volunteer Fire Department and Rescue Squad Funds.

"§ 118-50. **Rural Volunteer Fire Department Fund.** – (a) There is created the Rural Volunteer Fire Department Fund to provide matching grants to rural volunteer fire departments to purchase equipment and make capital improvements. The Fund shall be set up in the Department of Insurance. The State Treasurer shall invest its assets according to law, and the earnings shall remain in the Fund. The Fund shall be distributed under the direction of the Commissioner of Insurance. Beginning January 1, 1988, an eligible fire department may apply to the Commissioner of Insurance for a grant under this section. Beginning May 1, 1988, and on each May 1, thereafter, the Commissioner shall make grants to eligible fire departments subject to the following limitations:

- (1) The size of a grant may not exceed twenty thousand dollars (\$20,000);
- (2) The applicant shall match the grant on a dollar-for-dollar basis;
- (3) The grant may be used only for equipment purchases or capital expenditures necessary to provide fire protection services; and
- (4) An applicant may receive no more than one grant per fiscal year.

In awarding grants under this section, the Commissioner shall to the extent possible select applicants from all parts of the State based upon need. No more than one percent (1%) of the Rural Volunteer Fire Department Fund may be used to administer the program in each fiscal year.

(b) A fire department is eligible for a grant under this section if:

- (1) It serves a response area of 6,000 or less in population;
- (2) It is all volunteer; and
- (3) It has been certified by the Department of Insurance.

In making the population determination under subdivision (1), The Department shall use the latest decennial U.S. Census population data.

(c) The Commissioner of Insurance shall submit a written report to the General Assembly within 60 days after the grants have been made. This report shall contain the amount of the grant and the name of the recipient."

Sec. 2. G.S. 105-228.5 is amended in the seventh paragraph as follows:

(1) By deleting the phrase "one percent (1%)" and substituting the phrase "one and thirty-three hundredths percent (1.33%); and

(2) By adding at the end a new sentence to read: "Twenty-five percent (25%) of the net proceeds of the one and thirty-three hundredths percent (1.33%) tax on amounts collected on contracts of insurance applicable to fire and lightning coverage shall be deposited in the Rural Volunteer Fire Department Fund established in Chapter 118 of the General Statutes."

Sec. 3. This act is effective for taxable years beginning on and after January 1, 1987.

In the General Assembly read three times and ratified this the 31st day of July, 1987.