

SHORT TITLE: Counties and county officers; requiring certain insurance rates be higher for members of local rural fire departments; effective date.

STATE OF OKLAHOMA

2nd Session of the 45th Legislature (1996)

SENATE BILL NO. 780

By: Capps

AS INTRODUCED

An Act relating to rural fire protection districts;
amending 19 O.S. 1991, Section 901.19, which
relates to assessments; prohibiting giving or
receiving certain reduced insurance rates for
property located in rural fire protection districts
for persons failing or refusing to pay assessments;
providing for administrative penalty; providing for
codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 19 O.S. 1991, Section 901.19, is
amended to read as follows:

Section 901.19 A. Each year the board shall levy an assessment
sufficient to raise the annual interest on the outstanding bonds or
other evidences of indebtedness, and, in addition thereto, an amount
equal to the amount of the bonds to be retired in said year or the
installment of principal to be amortized during said year. The
board shall also levy an annual assessment sufficient to care for
the cost of operation of the district and the maintenance of the
fire department and its equipment, and for payment of salaries of
the officers and employees of the district, provided, that no such
annual assessment for operation, maintenance, and salaries shall
exceed seven (7) mills on the dollar of assessed value of the
property in the district; provided, if Article X, Section 8 of the

Oklahoma Constitution requires one hundred percent (100%) of fair cash value to be taxable for purposes of ad valorem taxation, the maximum number of mills authorized by this section shall be one (1) mill.

B. All assessments levied under the authority of Sections 901.1 through 901.50 of this title, shall be a lien against the tract of land on which they have been levied, until paid, and said lien shall be coequal with the lien of ad valorem and other taxes, including special assessments, and prior and superior to all other liens.

C. Any person who does not pay all or any part of any assessment levied pursuant to Section 901.1 et seq. of this title shall not receive any special or reduced rate for fire insurance on any risk because it is located in a rural fire protection district or in an area protected by a rural fire department, pursuant to Section 2 of this act.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 4809 of Title 36 unless there is created a duplication in numbering, reads as follows:

A. No property or casualty insurance company shall give any special or reduced rate for fire insurance on any risk because it is located in a rural fire protection district or in an area protected by a rural fire protection district in which the district or department is wholly or partially funded by assessments, dues, or subscription payments paid by owners of property who are members of an association supporting the rural fire department to any person who fails or refuses to pay the appropriate assessment, dues, or subscription payments for support of the district or department.

B. It is unlawful for any insurance agent or company to knowingly write an initial or renewal policy of fire insurance coverage on any risk located in a rural fire protection district or in any area protected by a rural fire department at any special or reduced rate or with any rate credit based on location of the risk

in the district or area without having first obtained from the insured or from the fire district or department evidence that current assessments, dues, and subscription payments, if any, for the property to be insured has been paid. The evidence required by the insurer may be, but is not limited to, a receipt, canceled check, or other valid proof of payment.

C. If any agent is found by the Insurance Commissioner to have violated the provisions of this subsection, the agent shall be liable for an administrative penalty of Twenty-five Dollars (\$25.00) for the first violation and Fifty Dollars (\$50.00) for the second violation. For any subsequent violation, the agent shall be liable for an administrative penalty equal to the difference between the amount of the premium actually charged on the particular policy involved, based on the special rate and the amount of the premium which would have been charged if the special rate had not been applied.

SECTION 3. This act shall become effective November 1, 1996.

45-2-1694

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