

Senate Bill No. 544

(By Senators Foster, Wells, McCabe, Wills, Edgell, Snyder,
Palumbo, Yost, Klempa and Kessler (Acting President))

[Introduced February 18, 2011; referred to the Committee on
Pensions; and then to the Committee on Finance.]

**FISCAL
NOTE**

A BILL to amend and reenact §8-22-16 and §8-22-20 of the Code of West Virginia, 1931, as amended; to amend and reenact §8-22A-28 of said code; and to amend and reenact §33-3-14d of said code, all relating to municipal policemen's and firemen's pension and relief funds and Municipal Police Officers and Fire Fighters Retirement System; providing additional method for municipalities to finance policemen's and firemen's pension and relief funds; authorizing Municipal Pensions Oversight Board to contract for actuarial services; clarifying disclosures required in actuarial reports; extending time to elect Social Security benefits; and reallocating certain premium tax funds for three years.

Be it enacted by the Legislature of West Virginia:

That §8-22-16 and §8-22-20 of the Code of West Virginia, 1931,

1 as amended, be amended and reenacted; that §8-22A-28 of said code
2 be amended and reenacted; and that §33-3-14d of said code be
3 amended and reenacted, all to read as follows:

4 **CHAPTER 8. MUNICIPAL CORPORATIONS.**

5 **ARTICLE 22. RETIREMENT BENEFITS GENERALLY; POLICEMEN'S PENSION**
6 **AND RELIEF FUND; FIREMEN'S PENSION AND RELIEF**
7 **FUND; PENSION PLANS FOR EMPLOYEES OF WATERWORKS**
8 **SYSTEM, SEWERAGE SYSTEM OR COMBINED WATERWORKS AND**
9 **SEWERAGE SYSTEM.**

10 **§8-22-16. Pension and relief funds for policemen and firemen;**
11 **creation of boards of trustees; definitions;**
12 **continuance of funds; average adjusted salary.**

13 (a) Except as provided in subsection (e) of this section,
14 passed into law during the fourth extraordinary session of the
15 Legislature in 2009, in every Class I and Class II city having, or
16 which may hereafter have, a paid police department and a paid fire
17 department, or either of such departments, the governing body
18 shall, and in every Class III city and Class IV town or village
19 having, or which may hereafter have, a paid police department and
20 a paid fire department, or either of such departments, the
21 governing body may, by ordinance provide for the establishment and
22 maintenance of a policemen's pension and relief fund and for a
23 firemen's pension and relief fund for the purposes hereinafter
24 enumerated and, thereupon, there shall be created boards of

1 trustees which shall administer and distribute the moneys
2 authorized to be raised by this section and the following sections
3 of this article. For the purposes of this section and sections
4 seventeen through twenty-eight, inclusive, of this article, the
5 term "paid police department" or "paid fire department" means only
6 a municipal police department or municipal fire department, as the
7 case may be, maintained and paid for out of public funds and whose
8 employees are paid on a full-time basis out of public funds. The
9 term shall not be taken to mean any department whose employees are
10 paid nominal salaries or wages or are only paid for services
11 actually rendered on an hourly basis.

12 (b) Any policemen's pension and relief fund and any firemen's
13 pension and relief fund established in accordance with the
14 provisions of former article six of this chapter or this article
15 shall be or remain mandatory and shall be governed by the
16 provisions of sections sixteen through twenty-eight, inclusive, of
17 this article (with like effect, in the case of a Class III city or
18 Class IV town or village, as if such Class III city or Class IV
19 town or village were a Class I or Class II city) and shall not be
20 affected by the transition from one class of municipal corporation
21 to a lower class as specified in section three, article one of this
22 chapter: *Provided*, That any Class III or Class IV town or village
23 that hereafter becomes a Class I or Class II city shall not be
24 required to establish a pension and relief fund if the town or

1 village is a participant in an existing pension plan regarding paid
2 firemen and/or policemen.

3 (c) After June 30, 1981, for the purposes of sections sixteen
4 through twenty-eight, inclusive, of this article, the word "member"
5 means any paid police officer or firefighter who at time of
6 appointment to a paid police or fire department met the medical
7 requirements of chapter 2-2 of the National Fire Protection
8 Association Standards Number 1001 -- Firefighters Professional
9 Qualifications '74 as updated from year to year: *Provided*, That
10 any police officer or firefighter who was a member of the fund
11 prior to July 1, 1981, shall be considered a member after June 30,
12 1981.

13 (d) For purposes of sections sixteen through twenty-eight,
14 inclusive, of this article, the words "salary or compensation" mean
15 remuneration actually received by a member, plus the member's
16 deferred compensation under sections 125, 401(k), 414(h)(2) and 457
17 of the United States Internal Revenue Code of 1986, as amended:
18 *Provided*, That the remuneration received by the member during any
19 twelve-consecutive-month period used in determining benefits which
20 is in excess of an amount which is twenty percent greater than the
21 "average adjusted salary" received by the member in the two
22 consecutive twelve-consecutive-month periods immediately preceding
23 the twelve-consecutive-month period used in determining benefits
24 shall be disregarded: *Provided, however*, That the "average

1 adjusted salary" means the arithmetic average of each year's
2 adjusted salary, the adjustment made to reflect current salary rate
3 and such average adjusted salary shall be determined as follows:
4 Assuming "year-one" means the second twelve-consecutive-month
5 period preceding such twelve-consecutive-month period used in
6 determining benefits, "year-two" means the twelve-consecutive-month
7 period immediately preceding the twelve-consecutive-month period
8 used in determining benefits and "year-three" means the twelve-
9 consecutive-month period used in determining benefits, year-one
10 total remuneration shall be multiplied by the ratio of year-three
11 base salary, exclusive of all overtime and other remuneration, to
12 year-one base salary, exclusive of all overtime and other
13 remuneration, such product shall equal "year-one adjusted salary";
14 year-two total remuneration shall be multiplied by the ratio of
15 year-three base salary, exclusive of all overtime and other
16 remuneration, to year-two base salary, exclusive of all overtime
17 and other remuneration, such product shall equal "year-two adjusted
18 salary"; and the arithmetic average of year-one adjusted salary and
19 year-two adjusted salary shall equal the average adjusted salary.

20 (e) (1) Any municipality, as that term is defined in section
21 two, article one of this chapter, or municipal subdivision as
22 defined in section two, article twenty-two-a of this chapter may,
23 by a majority vote of its governing body, close its existing
24 policemen's or firemen's pension and relief fund to employees newly

1 hired on or after January 1, 2010, if the municipality enrolls
2 those newly hired police officers or firefighters in a retirement
3 plan created in article twenty-two-a of this chapter and approved
4 and administered by the West Virginia Consolidated Public
5 Retirement Board. On and after July 1, 2010, no new policemen's or
6 firemen's pension and relief fund may be established under this
7 section. A Class I or Class II municipality forming a new paid
8 police department or paid fire department after June 30, 2010,
9 shall, notwithstanding the provisions of section two, article
10 twenty-two-a of this chapter, enroll the department members in the
11 Municipal Police Officers and Firefighters Retirement System
12 established in article twenty-two-a of this chapter.

13 (2) Any municipality using the alternative method of financing
14 that elects to close an existing pension and relief fund to new
15 hires pursuant to this subsection shall also adopt either the
16 optional method of financing the unfunded actuarial accrued
17 liability of the existing policemen's or firemen's pension and
18 relief fund as provided in subsection (e), or the conservation
19 method as provided in subsection (f), section twenty of this
20 article.

21 (3) Except as provided in section thirty-two, article twenty-
22 two-a of this chapter, if the qualifying municipality elects to
23 close enrollment in an existing municipal pension and relief fund
24 to newly hired police officers and firefighters pursuant to this

1 section, all current active members, retirees and other
2 beneficiaries covered by the existing policemen's or firemen's
3 pension and relief fund shall remain covered by that plan and shall
4 be paid all benefits of that plan in accordance with Part III of
5 this article.

6 **§8-22-20. Actuary; actuarial valuation report; minimum standards**
7 **for annual municipality contributions to the fund;**
8 **definitions; actuarial review and audit.**

9 (a) The West Virginia Municipal Pensions Oversight Board shall
10 contract with or employ a qualified actuary to annually prepare an
11 actuarial valuation report on each pension and relief fund. The
12 selection of contract vendors to provide actuarial services,
13 including the reviewing actuary as provided in subsection (c) of
14 this section, shall be by competitive bid process but is
15 specifically exempt from purchasing provisions of article three,
16 chapter five-a of this code. The expense of the actuarial report
17 shall be paid from moneys in the Municipal Pensions Security Fund.
18 Uses of the actuarial valuations from the qualified actuary shall
19 include, but not be limited to, determining a municipal policemen's
20 or firemen's pension and relief fund's eligibility to receive state
21 money and to provide supplemental benefits.

22 (b) The actuarial valuation report provided pursuant to
23 subsection (a) of this section shall consist of, but is not limited
24 to, the following disclosures: (1) The financial objective of the

1 fund and how the objective is to be attained; (2) the progress
2 being made toward realization of the financial objective; (3)
3 recent changes in the nature of the fund, benefits provided or
4 actuarial assumptions or methods; (4) the frequency of actuarial
5 valuation reports and the date of the most recent actuarial
6 valuation report; (5) the method used to value fund assets; (6) the
7 extent to which the qualified actuary relies on the data provided
8 and whether the data was certified by the fund's Auditor or
9 examined by the qualified actuary for reasonableness; (7) a
10 description and explanation of the actuarial assumptions and
11 methods; (8) an evaluation of each plan using the alternative
12 funding method, to assess advantages of changing to other funding
13 methods as provided in this article, and ~~(8)~~ (9) any other
14 information required in section twenty-a of this article or that
15 the qualified actuary feels is necessary or would be useful in
16 fully and fairly disclosing the actuarial condition of the fund.

17 (c) (1) Except as provided in subsections (e) and (f) of this
18 section, beginning June 30, 1991, and thereafter, the financial
19 objective of each municipality shall not be less than to contribute
20 to the fund annually an amount which, together with the
21 contributions from the members and the allocable portion of the
22 Municipal Pensions and Protection Fund for municipal pension and
23 relief funds established under section fourteen-d, article three,
24 chapter thirty-three of this code or a municipality's allocation

1 from the Municipal Pensions Security Fund created in section
2 eighteen-b of this article and other income sources as authorized
3 by law will be sufficient to meet the normal cost of the fund and
4 amortize any actuarial deficiency over a period of not more than
5 forty years beginning from July 1, 1991: *Provided*, That in the
6 fiscal year ending June 30, 1991, the municipality may elect to
7 make its annual contribution to the fund using an alternative
8 contribution in an amount not less than: (i) One hundred seven
9 percent of the amount contributed for the fiscal year ending June
10 30, 1990; or (ii) an amount equal to the average of the
11 contribution payments made in the five highest fiscal years
12 beginning with the fiscal year ending 1984, whichever is greater:
13 *Provided, however*, That contribution payments in subsequent fiscal
14 years under this alternative contribution method may not be less
15 than one hundred seven percent of the amount contributed in the
16 prior fiscal year: *Provided further*, That in order to avoid
17 penalizing municipalities and to provide flexibility when making
18 contributions, municipalities using the alternative contribution
19 method may exclude a one-time additional contribution made in any
20 one year in excess of the minimum required by this section: *And*
21 *provided further*, That the governing body of any municipality may
22 elect to provide an employer continuing contribution of one percent
23 more than the municipality's required minimum under the alternative
24 contribution plan authorized in this subsection: *And provided*

1 *further*, That if any municipality decides to contribute an
2 additional one percent, then that municipality may not reduce the
3 additional contribution until the respective pension and relief
4 fund no longer has any actuarial deficiency: *And provided further*,
5 That any decision and any contribution payment by the municipality
6 is not the liability of the State of West Virginia: *And provided*
7 *further*, That if any municipality or any pension fund board of
8 trustees makes a voluntary election and thereafter fails to
9 contribute the voluntarily increase as provided in this section and
10 in ~~subdivision (4), subsection (b)~~ subsection (c), section nineteen
11 of this article, then the board of trustees is not eligible to
12 receive funds allocated under section fourteen-d, article three,
13 chapter thirty-three of this code: *And provided further*, That
14 prior to using this alternative contribution method the actuary of
15 the fund shall certify in writing that the fund is projected to be
16 solvent under the alternative contribution method for the next
17 consecutive fifteen-year period. For purposes of determining this
18 minimum financial objective: (i) The value of the fund's assets
19 shall be determined on the basis of any reasonable actuarial method
20 of valuation which takes into account fair market value; and (ii)
21 all costs, deficiencies, rate of interest and other factors under
22 the fund shall be determined on the basis of actuarial assumptions
23 and methods which, in aggregate, are reasonable (taking into
24 account the experience of the fund and reasonable expectations) and

1 which, in combination, offer the qualified actuary's best estimate
2 of anticipated experience under the fund: *And provided further,*
3 That any municipality which elected the alternative funding method
4 under this section and which has an unfunded actuarial liability of
5 not more than twenty-five percent of fund assets, may, beginning
6 September 1, 2003, elect to revert to the standard funding method,
7 which is to contribute to the fund annually an amount which is not
8 less than an amount which, together with the contributions from the
9 members and the allocable portion of the Municipal Pensions and
10 Protection Fund for municipal pension and relief funds established
11 under section fourteen-d, article three, chapter thirty-three of
12 this code and other income sources as authorized by law, will be
13 sufficient to meet the normal cost of the fund and amortize any
14 actuarial deficiency over a period of not more than forty years,
15 beginning from July 1, 1991.

16 (2) No municipality may anticipate or use in any manner any
17 state funds accruing to the police or firemen's pension fund to
18 offset the minimum required funding amount for any fiscal year.

19 (3) Notwithstanding any other provision of this section or
20 article to the contrary, each municipality shall contribute
21 annually to the fund an amount which may not be less than the
22 normal cost, as determined by the actuarial report.

23 (4) The actuarial process, which includes the selection of
24 methods and assumptions, shall be reviewed by the qualified actuary

1 no less than once every five years. Furthermore, the qualified
2 actuary shall provide a report to the oversight board with
3 recommendations on any changes to the actuarial process.

4 (5) The oversight board shall hire an independent reviewing
5 actuary to perform an actuarial audit of the work performed by the
6 qualified actuary no less than once every seven years.

7 (d) For purposes of this section, the term "qualified actuary"
8 means only an actuary who is a member of the Society of Actuaries
9 or the American Academy of Actuaries. The qualified actuary shall
10 be designated a fiduciary and shall discharge his or her duties
11 with respect to a fund solely in the interest of the members and
12 members' beneficiaries of that fund. In order for the standards of
13 this section to be met, the qualified actuary shall certify that
14 the actuarial valuation report is complete and accurate and that in
15 his or her opinion the technique and assumptions used are
16 reasonable and meet the requirements of this section.

17 (e) (1) Beginning January 1, 2010, municipalities may choose
18 the optional method of financing municipal policemen's or firemen's
19 pension and relief funds as outlined in this subsection in lieu of
20 the standard or alternative methods as provided in subdivision (1),
21 subsection (c) of this section. ~~The optional method provides an~~
22 ~~option to the existing standard or alternative methods of financing~~
23 ~~the funds.~~

24 (2) For those municipalities choosing the optional method of

1 finance, the minimum standard for annual municipality contributions
2 to each policemen's or firemen's pension and relief fund shall be
3 an amount which, together with the contributions from the members
4 and allocable portion of the Municipal Pensions and Protection Fund
5 or Municipal Pensions Security Fund created in section eighteen-b
6 of this article, and other income sources as authorized by law,
7 will be sufficient to meet the normal cost of the fund and amortize
8 any actuarial deficiency over a period of not more than forty years
9 beginning January 1, 2010: *Provided*, That those municipalities
10 using the standard method of financing in 2009 shall continue to
11 amortize their actuarial deficiencies over a period of not more
12 than forty years beginning July 1, 1991. The required contribution
13 shall be determined each plan year as described above by the
14 actuary retained by the oversight board, based on an actuarial
15 valuation reflecting actual demographic and investment experience
16 and consistent with the Actuarial Standards of Practice published
17 by the Actuarial Standards Board.

18 (3) A municipality choosing the optional method of financing
19 a policemen's or firemen's pension and relief fund as provided in
20 this subsection shall close the fund to police officers or fire
21 fighters newly hired on or after January 1, 2010, and provide for
22 those employees to be members of the Municipal Police Officers and
23 Firefighters Retirement System as established in article twenty-
24 two-a of this chapter.

1 (f) (1) Beginning April 1, 2011, any municipality using the
2 alternative method of financing may choose a conservation method of
3 financing its municipal policemen's and firemen's pension and
4 relief funds as outlined in this subsection, in lieu of the
5 alternative method as provided in subdivision (1), subsection (c),
6 or the optional method as provided in subsection (e) of this
7 section.

8 (2) For those municipalities choosing the conservation method
9 of finance, until a plan is funded at one hundred percent, a part
10 of each plan member's employee contribution to the fund equal to
11 one and one-half percent of the employee's compensation, shall be
12 deposited into and remain in the trust and accumulate investment
13 return. In addition, until a plan is funded at one hundred
14 percent, an actuarially determined portion of the premium tax
15 allocation to each fund provided in accordance with section
16 fourteen-d, article three, and section seven, article twelve-c of
17 chapter thirty-three of this code shall also be deposited into and
18 remain in the trust and accumulate investment return. This
19 variable percentage of premium tax allocation to be retained in
20 each fund shall be determined annually by the qualified actuary
21 provided pursuant to subsection (a) of this section to be an amount
22 required, along with other assets of the fund as necessary to reach
23 a funded level of one hundred percent in thirty-five years from the
24 time of adoption of the conservation financing method. The

1 variable percentage shall be calculated using a prospective four-
2 year rolling average.

3 (3) Upon adoption of the conservation method of finance, the
4 municipality shall close its pension and relief funds to new
5 members and shall place police officers and firefighters newly
6 hired after adoption of the conservation method into the Municipal
7 Police Officers and Firefighters Retirement System created in
8 article twenty-two-a of this chapter.

9 (4) Upon adoption of the conservation method of financing, the
10 minimum standard for annual municipality contributions to each
11 policemen's or firemen's pension and relief fund shall be an amount
12 which, together with member contributions and premium tax proceeds
13 not required to be retained in the trust pursuant to this
14 subsection, and other income sources as authorized by law, is
15 sufficient to meet the annual benefit and administrative expense
16 payments from the funds on a pay-as-you-go basis: *Provided:* That
17 at the time the actuarial report required by this section indicates
18 no actuarial deficiency in the municipal policemen's or firemen's
19 pension and relief fund, the minimum annual required contribution
20 of the municipality may not be less than an amount which together
21 with all member contributions and other income authorized by law,
22 is sufficient to pay normal cost.

23 **ARTICLE 22A. WEST VIRGINIA MUNICIPAL POLICE OFFICERS AND**
24 **FIREFIGHTERS RETIREMENT SYSTEM.**

1 **§8-22A-28. How a municipality or municipal subdivision becomes a**
2 **participating public employer; duty to request**
3 **referendum on Social Security coverage.**

4 (a) Subject to section sixteen, article twenty-two of this
5 chapter, any municipality or municipal subdivision employing
6 municipal police officers or firefighters may by a majority of the
7 members of its governing body eligible to vote, elect to become a
8 participating public employer and thereby include its police
9 officers and firefighters in the membership of the plan. The clerk
10 or secretary of each municipality or municipal subdivision electing
11 to become a participating public employer shall certify the
12 determination of the municipality or municipal subdivision by
13 corporate resolution to the Consolidated Public Retirement Board
14 within ten days from and after the vote of the governing body.
15 Separate resolutions are required for municipal police officers and
16 municipal firefighters. Once a municipality or municipal
17 subdivision elects to participate in the plan, the action is final
18 and it may not, at a later date, elect to terminate its
19 participation in the plan.

20 (b) On or before October 1, ~~2011~~ 2015, the participating
21 employers shall jointly submit a plan to the State Auditor,
22 pursuant to section five, article seven, chapter five of this code,
23 to extend Social Security benefits to members of the retirement
24 system.

1 **CHAPTER 33. INSURANCE.**

2 **ARTICLE 3. LICENSING, FEES AND TAXATION OF INSURERS.**

3 **§33-3-14d. Additional fire and casualty insurance premium tax;**
4 **allocation of proceeds; effective date.**

5 (a) (1) For the purpose of providing additional revenue for
6 municipal policemen's and firemen's pension and relief funds and
7 the Teachers Retirement System Reserve Fund and for volunteer and
8 part-volunteer fire companies and departments, there is ~~hereby~~
9 levied and imposed an additional premium tax equal to one percent
10 of taxable premiums for fire insurance and casualty insurance
11 policies. For purposes of this section, casualty insurance does
12 not include insurance on the life of a debtor pursuant to or in
13 connection with a specific loan or other credit transaction or
14 insurance on a debtor to provide indemnity for payments becoming
15 due on a specific loan or other credit transaction while the debtor
16 is disabled as defined in the policy.

17 (2) All moneys collected from this additional tax shall be
18 received by the commissioner and paid by him or her into a special
19 account in the State Treasury, designated the Municipal Pensions
20 and Protection Fund: *Provided*, That on or after January 1, 2010,
21 except as provided in subdivision three of this subsection, the
22 commissioner shall pay ten percent of the amount collected to the
23 Teachers Retirement System Reserve Fund created in section
24 eighteen, article seven-a, chapter eighteen of this code, twenty-

1 five percent of the amount collected to the Fire Protection Fund
2 created in section thirty-three of this article for allocation by
3 the Treasurer to volunteer and part-volunteer fire companies and
4 departments and sixty-five percent of the amount collected to the
5 Municipal Pensions and Protection Fund: *Provided, however, That*
6 upon notification by the Municipal Pensions Oversight Board
7 pursuant to the provisions of section eighteen-b, article twenty-
8 two, chapter eight of this code, on or after January 1, 2010, or as
9 soon thereafter as the Municipal Pensions Oversight Board is
10 prepared to receive the funds, sixty-five percent of the amount
11 collected by the commissioner shall be deposited in the Municipal
12 Pensions Security Fund created in section eighteen-b, article
13 twenty-two, chapter eight of this code. The net proceeds of this
14 tax after appropriation thereof by the Legislature is distributed
15 in accordance with the provisions of this section, except for
16 distribution from proceeds pursuant to subsection (d), section
17 eighteen-a, article twenty-two, chapter eight of this code.

18 (3) For three years beginning July 1, 2011, ten percent of the
19 additional premium tax and surplus lines tax previously authorized
20 to be paid to the Teachers Retirement System Reserve Fund shall be
21 paid to the Municipal Pensions Security Fund, to be distributed to
22 those municipal policemen's or firemen's pension and relief funds
23 which have closed their plans to new members and adopted either the
24 optional or conservation method of financing the pension and relief

1 funds. The money shall be retained as assets in the pension and
2 relief funds to reduce unfunded liabilities and not used to pay
3 normal costs. Allocation and distribution to the eligible pension
4 and relief funds shall be in accordance with subsection (c) of this
5 section.

6 (b) (1) Before August 1 of each year, the treasurer of each
7 municipality in which a municipal policemen's or firemen's pension
8 and relief fund is established shall report to the State Treasurer
9 the average monthly number of members who worked at least one
10 hundred hours per month and the average monthly number of retired
11 members of municipal policemen's or firemen's pension and relief
12 fund or the Municipal Police Officers and Firefighters Retirement
13 System during the preceding fiscal year: *Provided*, That beginning
14 in the year 2010 and continuing thereafter, the report shall be
15 made to the oversight board created in section eighteen-a, article
16 twenty-two, chapter eight of this code. These reports received by
17 the oversight board shall be provided annually to the State
18 Treasurer by September 1.

19 (2) Before September 1 of each calendar year, the State
20 Treasurer, or the Municipal Pensions Oversight Board, once in
21 operation, shall allocate and authorize for distribution the
22 revenues in the Municipal Pensions and Protection Fund which were
23 collected during the preceding calendar year for the purposes set
24 forth in this section. Before September 1 of each calendar year

1 and after the Municipal Pensions Oversight Board has notified the
2 treasurer and commissioner pursuant to section eighteen-b, article
3 twenty-two, chapter eight of this code, the Municipal Pensions
4 Oversight Board shall allocate and authorize for distribution the
5 revenues in the Municipal Pensions Security Fund which were
6 collected during the preceding calendar year for the purposes set
7 forth in this section. In any year the actuarial report required
8 by section twenty, article twenty-two, chapter eight of this code
9 indicates no actuarial deficiency in the municipal policemen's or
10 firemen's pension and relief fund, no revenues may be allocated
11 from the Municipal Pensions and Protection Fund or the Municipal
12 Pensions Security Fund to that fund. The revenues from the
13 Municipal Pensions and Protection Fund shall then be allocated to
14 all other pension and relief funds which have an actuarial
15 deficiency.

16 (3) The moneys, and the interest earned thereon, in the
17 Municipal Pensions and Protection Fund allocated to volunteer and
18 part-volunteer fire companies and departments shall be allocated
19 and distributed quarterly to the volunteer fire companies and
20 departments. Before each distribution date, the State Fire Marshal
21 shall report to the State Treasurer the names and addresses of all
22 volunteer and part-volunteer fire companies and departments within
23 the state which meet the eligibility requirements established in
24 section eight-a, article fifteen, chapter eight of this code.

1 (c) (1) Each municipal pension and relief fund shall have
2 allocated and authorized for distribution a pro rata share of the
3 revenues allocated to municipal policemen's and firemen's pension
4 and relief funds based on the corresponding municipality's average
5 monthly number of police officers and firefighters who worked at
6 least one hundred hours per month during the preceding fiscal year.
7 On and after July 1, 1997, from the growth in any moneys collected
8 pursuant to the tax imposed by this section and interest thereon
9 there shall be allocated and authorized for distribution to each
10 municipal pension and relief fund, a pro rata share of the revenues
11 allocated to municipal policemen's and firemen's pension and relief
12 funds based on the corresponding municipality's average number of
13 police officers and firefighters who worked at least one hundred
14 hours per month and average monthly number of retired police
15 officers and firefighters. For the purposes of this subsection,
16 the growth in moneys collected from the tax collected pursuant to
17 this section is determined by subtracting the amount of the tax
18 collected during the fiscal year ending June 30, 1996, from the tax
19 collected during the fiscal year for which the allocation is being
20 made and interest thereon. All moneys received by municipal
21 pension and relief funds under this section may be expended only
22 for those purposes described in sections sixteen through twenty-
23 eight, inclusive, article twenty-two, chapter eight of this code.
24 (2) Each volunteer fire company or department shall receive an

1 equal share of the revenues allocated for volunteer and part-
2 volunteer fire companies and departments.

3 (3) In addition to the share allocated and distributed in
4 accordance with subdivision (1) of this subsection, each municipal
5 fire department composed of full-time paid members and volunteers
6 and part-volunteer fire companies and departments shall receive a
7 share equal to the share distributed to volunteer fire companies
8 under subdivision (2) of this subsection reduced by an amount equal
9 to the share multiplied by the ratio of the number of full-time
10 paid fire department members who are also members of a municipal
11 firemen's pension and relief fund or the Municipal Police Officers
12 and Firefighters Retirement System to the total number of members
13 of the fire department.

14 (d) The allocation and distribution of revenues provided ~~for~~
15 in this section are subject to the provisions of section twenty,
16 article twenty-two, and sections eight-a and eight-b, article
17 fifteen, chapter eight of this code.

NOTE: The purpose of this bill is to provide additional flexibility for municipalities financing policemen's and firemen's pension and relief funds by use of a conservation method, to provide for the Municipal Pensions Oversight Board to contract for actuary services by competitive bid, to clarify disclosures required in an actuarial report, to provide additional time for participating municipalities to submit plan for members of the Municipal Police Officers and Fire Fighters Retirement System to elect social security benefits, and to provide for reallocation of a portion of additional and surplus lines insurance premium taxes to certain municipal policemen's and firemen's pension and relief funds for three years.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.