

**WEST VIRGINIA LEGISLATURE**  
**2016 FIRST EXTRAORDINARY SESSION**

**ENROLLED**

**House Bill 128**

**FISCAL  
NOTE**

BY MR. SPEAKER (MR. ARMSTEAD) AND DELEGATE MILEY

BY REQUEST OF THE EXECUTIVE

[Passed June 14, 2016; in effect from passage.]

1 AN ACT to amend and reenact §33-3-33a of the Code of West Virginia, 1931, as amended,  
 2 relating to the Volunteer Fire Department Workers' Compensation Premium Subsidy  
 3 Fund; providing for the deposit of monies into the Volunteer Fire Department Workers'  
 4 Compensation Premium Subsidy Fund until June 30, 2017; providing for the expiration  
 5 and closure of the Volunteer Fire Department Workers' Compensation Premium Subsidy  
 6 Fund on June 30, 2017; and providing for the transfer of any remaining monies in the  
 7 Volunteer Fire Department Workers' Compensation Premium Subsidy Fund upon closure  
 8 of such fund.

*Be it enacted by the Legislature of West Virginia:*

1 That §33-3-33a of the Code of West Virginia, 1931, as amended, be amended and  
 2 reenacted to read as follows:

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

**§33-3-33a. Excess moneys of Fire Protection Fund deposited into Volunteer Fire  
 Department Workers' Compensation Premium Subsidy Fund; other funding; special  
 report from State Fire Marshal by December 15, 2015; termination of program June  
 30, 2017.**

1 (a) There is hereby established a special fund in the State Treasury known as the  
 2 "Volunteer Fire Department Workers' Compensation Premium Subsidy Fund." The fund shall be  
 3 administered by the State Auditor and shall consist of moneys deposited in the fund pursuant to  
 4 this section, any other funds appropriated by the Legislature for volunteer fire departments for the  
 5 purposes of section fourteen-a, article four, chapter twelve of this code, and the interest or other  
 6 earnings on the moneys in the fund. The State Auditor shall administer the distribution of moneys  
 7 of the fund to volunteer fire departments to help defray workers' compensation insurance premium  
 8 increases pursuant to section fourteen-a, article four, chapter twelve of this code. Balances in the  
 9 fund at the end of any fiscal year shall not expire, but shall be expended for those purposes in  
 10 ensuing fiscal years pursuant to appropriation of the Legislature.

11 (b) Beginning July 1, 2013, and in each fiscal year thereafter until June 30, 2017, the  
12 excess of the aggregate of amounts collected by the commissioner that are otherwise required  
13 under any provision of this code to be deposited into the Fire Protection Fund over the aggregate  
14 of those amounts deposited into the Fire Protection Fund during the fiscal year ending June 30,  
15 2013, shall be deposited into the Volunteer Fire Department Workers' Compensation Premium  
16 Subsidy Fund and expended solely for the purposes established in section fourteen-a, article four,  
17 chapter twelve of this code.

18 (c) On or before August 1, 2013, the commissioner shall transfer \$4 million from the Fire  
19 Marshal Fees Fund created under section twelve-b, article three, chapter twenty-nine of this code  
20 to the Volunteer Fire Department Workers' Compensation Premium Subsidy Fund to be expended  
21 solely for the purposes established in section fourteen-a, article four, chapter twelve of this code  
22 until June 30, 2017.

23 (d) The State Fire Marshal, in consultation with the Insurance Commissioner, the State  
24 Auditor, the Secretary of Revenue and the Legislative Auditor, shall conduct a review of the needs  
25 of each volunteer or part volunteer fire company or volunteer fire department serving in the various  
26 counties of the state. On or before December 31, 2015, the State Fire Marshal shall submit to the  
27 Joint Committee on Government and Finance a comprehensive report of the review and the State  
28 Fire Marshal's recommendations, substantiated by the findings of the review, of steps that may  
29 be taken to meet the needs of and sustain the volunteer and part volunteer fire companies and  
30 volunteer fire departments of this state, including, but not limited to, the following:

31 (1) An assessment of all current funding received by the volunteer fire companies and  
32 departments, and a further assessment of the funding necessary to provide the community  
33 protections required for the areas served by the volunteer fire companies and departments, the  
34 extent to which those needs are being met, the extent to which they are not being met, and  
35 recommendations of sources of funds to meet additional needs and the amounts needed, if any;

36 (2) An assessment of the cost of workers' compensation coverage for the volunteer fire

37 companies and departments and recommendations for any actions that may be undertaken by  
38 the volunteer fire companies and departments and others to reduce those costs;

39 (3) An assessment of the causes of any decline in recruitment and retention of volunteer  
40 firefighters and recommendations for improvements in this area, including any recommendations  
41 for incentives that have a demonstrated record of significant increases in recruitment and  
42 retention as well as recommendations of sources of funds to provide those incentives, if funds are  
43 necessary;

44 (4) An assessment of the level of financial accountability that should be required of  
45 volunteer fire companies and departments in order to provide the Legislature the information  
46 necessary to target future funding for their activities based upon the safety and fire protection  
47 needs of the various areas of the state;

48 (5) An assessment of the comparative levels of funding for volunteer fire companies and  
49 departments provided by counties, municipalities and other political subdivisions and the means  
50 by which that funding is provided, including identification of those which contribute little or no  
51 funding to the volunteer fire companies and departments within their jurisdictions, together with  
52 recommendations for increasing those levels of contributions;

53 (6) An assessment of the comparative levels of funding for volunteer fire companies and  
54 departments provided by their own efforts, and the means by which that funding is provided,  
55 including identification of those which provide little or no funding through their own efforts, together  
56 with recommendations for increasing these sources of funding;

57 (7) An assessment of the comparative economic and other benefits provided by the  
58 various volunteer fire companies and departments to their particular counties, municipalities and  
59 other political subdivisions, as well as to citizens of the local communities they serve;

60 (8) An assessment of the sustainability of the current model of providing fire and other  
61 protections to the citizens of rural communities through volunteer fire companies and departments  
62 and an assessment of alternative models for providing those protections; and

63           (9) Other assessments and recommendations which the State Fire Marshal deems  
64 appropriate in the circumstances.

65           (e) Upon the conclusion of the fiscal year ending June 30, 2017, the provisions of this  
66 section and section fourteen-a, article four, chapter twelve of this code shall expire and be of no  
67 further force and effect and the Volunteer Fire Department Workers' Compensation Premium  
68 Subsidy Fund shall be closed. Upon closure of the fund, from any balances therein remaining,  
69 the State Auditor shall first, to the extent available, transfer to the Fire Protection Fund an amount  
70 equal to the aggregate of funds deposited into the Volunteer Fire Department Workers'  
71 Compensation Premium Subsidy Fund during the fiscal years ending June 30, 2014, 2015, 2016  
72 and 2017 pursuant to subsection (b) of this section that would otherwise have been required to  
73 be deposited into the Fire Protection Fund, and any balances thereafter remaining in the  
74 Volunteer Fire Department Workers' Compensation Premium Subsidy Fund shall expire to the  
75 General Revenue Fund of the state.