

WEST VIRGINIA LEGISLATURE
2016 FIRST EXTRAORDINARY SESSION

Introduced

House Bill 128

**FISCAL
NOTE**

BY MR. SPEAKER (MR. ARMSTEAD)

[Introduced June 14, 2016]

1 A BILL to amend and reenact §33-3-33a of the Code of West Virginia, 1931, as amended, relating
 2 to the Volunteer Fire Department Workers' Compensation Premium Subsidy Fund;
 3 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, 2016~~ 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, 2016~~ June 30,
12 2017, the excess of the aggregate of amounts collected by the commissioner that are otherwise
13 required under any provision of this code to be deposited into the Fire Protection Fund over the
14 aggregate of those amounts deposited into the Fire Protection Fund during the fiscal year ending
15 June 30, 2013, shall be deposited into the Volunteer Fire Department Workers' Compensation
16 Premium Subsidy Fund and expended solely for the purposes established in section fourteen-a,
17 article four, 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, 2016~~ 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 ~~(d)~~ (e) Upon the conclusion of the fiscal year ending ~~June 30, 2016~~ June 30, 2017, the
66 provisions of this section and section fourteen-a, article four, chapter twelve of this code shall
67 expire and be of no further force and effect and the Volunteer Fire Department Workers'
68 Compensation Premium Subsidy Fund shall be closed. Upon closure of the fund, from any
69 balances therein remaining, the State Auditor shall first, to the extent available, transfer to the
70 Fire Protection Fund an amount equal to the aggregate of funds deposited into the Volunteer Fire
71 Department Workers' Compensation Premium Subsidy Fund during the fiscal years ending June
72 30, 2014, 2015, ~~and 2016~~ and 2017 pursuant to subsection (b) of this section that would otherwise
73 have been required to be deposited into the Fire Protection Fund, and any balances thereafter
74 remaining in the Volunteer Fire Department Workers' Compensation Premium Subsidy Fund shall
75 expire to the General Revenue Fund of the state.

NOTE: The purpose of this bill is to extend the Volunteer Fire Department Workers' Compensation Premium Subsidy Fund till June 30, 2017.

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