

WEST VIRGINIA LEGISLATURE

2022 REGULAR SESSION

Introduced

Senate Bill 513

FISCAL
NOTE

BY SENATORS PHILLIPS, GRADY, STOLLINGS, SYPOLT,
WOELFEL, WOODRUM, LINDSAY, BALDWIN, ROMANO,
SMITH, PLYMALE, AND CAPUTO

[Introduced January 31, 2022; referred
to the Committee on Government Organization; and
then to the Committee on Finance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,
 2 designated §15-11-11a; and to amend and reenact §33-3-33 of said code, all relating to
 3 fire department recruitment and retention; creating Fire Service Recruitment and
 4 Retention Fund; establishing that the purpose of the fund is to provide grants for
 5 recruitment and retention purposes; requiring the State Fire Commission to create a grant
 6 program; establishing considerations for awarding grants; providing for rulemaking;
 7 requiring State Fire Commission verify eligibility volunteer fire departments with Legislative
 8 Auditor; raising policy surcharge to one percent; and allocating disbursements to various
 9 funds.

Be it enacted by the Legislature of West Virginia.

CHAPTER 15A. DEPARTMENT OF HOMELAND SECURITY.

ARTICLE 11. FIRE COMMISSION.

§15A-11-11a. Fire Service Recruitment and Retention Fund; creation of fire service recruitment and retention grant; reports of ineligibility to State Fire Marshal.

1 (a) There is hereby continued in the Treasury a special revenue fund to be known as the
 2 Fire Service Recruitment and Retention Fund. Expenditures from the fund by the State Fire
 3 Commission are authorized from collections. The fund may only be used for the purpose of
 4 providing grants to volunteer and part-volunteer fire companies and departments and their
 5 members for the purpose of recruiting and retaining volunteer and part-volunteer firefighters. Any
 6 balance remaining in the fund at the end of any fiscal year does not revert to the General Revenue
 7 Fund, but remains in the Special Revenue Fund.

8 (b) The State Fire Commission shall establish a grant program for recruitment and the
 9 retention of volunteer and part-time volunteer firefighters, including length of service award
 10 programs (LOSAP). Such grant program shall be open to all volunteer and part-volunteer fire
 11 companies and departments. In making grants pursuant to this section, the State Fire Marshal

12 shall consider:

13 (1) The number of emergency and nonemergency calls responded to by the company or
14 department;

15 (2) The activities and responses of the company or department;

16 (3) The revenues received by the company or department from federal, state, county,
17 municipal, local, and other sources; and

18 (4) The company's or department's assets, expenditures, and other liabilities, including
19 whether the fire company or department has availed itself of available statewide contracts.

20 (c) The State Fire Commission may promulgate emergency rules and shall propose
21 legislative rules for promulgation in accordance with §29A-3-1 et seq. of this code as may be
22 necessary to implement and comply with the provisions of this section.

23 (d) The Legislative Auditor shall notify the State Fire Marshal of any volunteer or part-
24 volunteer fire company or department that is ineligible to receive grant funds due to the company's
25 or department's failure to file required bank statements or financial reports or failure to comply
26 with an audit or review by the Legislative Auditor. A volunteer or part-volunteer fire company or
27 department reported by the Legislative Auditor shall be ineligible to receive funds under this
28 section until the Legislative Auditor notifies the State Fire Marshal that the company or department
29 has come into compliance.

30 (e) For the purpose of this section:

31 "Length of Service Award Program" means a program to provide paid length of service
32 awards to eligible volunteers.

33 "Eligible volunteer" means a bona fide volunteer who is an active part-time or on-call
34 member of a volunteer fire department or a volunteer firefighter.

CHAPTER 33. INSURANCE.

ARTICLE 3. LICENSING, FEES AND TAXATION OF INSURERS.

§33-3-33. Surcharge on fire and casualty insurance policies to benefit volunteer and part-volunteer fire departments; Public Employees Insurance Agency and municipal pension plans; special fund created; allocation of proceeds; effective date.

1 ~~(a)(1) For the purpose of providing additional revenue for volunteer fire departments, part-~~
2 ~~volunteer fire departments and certain retired teachers and the teachers retirement reserve fund,~~
3 ~~there is hereby authorized and imposed on and after July 1, 1992, on the policyholder of any fire~~
4 ~~insurance policy or casualty insurance policy issued by any insurer, authorized or unauthorized,~~
5 ~~or by any risk retention group, a policy surcharge equal to one percent of the taxable premium for~~
6 ~~each such policy. After June 30, 2005, the surcharge shall be imposed as specified in subdivisions~~
7 ~~(2) and (3) of this subsection.~~

8 ~~(2) After June 30, 2005, through December 31, 2005, for the purpose of providing~~
9 ~~additional revenue for volunteer fire departments, part-volunteer fire departments and to provide~~
10 ~~additional revenue to the Public Employees Insurance Agency and municipal pension plans, there~~
11 ~~is hereby authorized and imposed on and after July 1, 2005, on the policyholder of any fire~~
12 ~~insurance policy or casualty insurance policy issued by any insurer, authorized or unauthorized,~~
13 ~~or by any risk retention group, a policy surcharge equal to one percent of the taxable premium for~~
14 ~~each such policy~~

15 ~~(3)~~ (a) After ~~December 31, 2005~~ June 30, 2022, for the purpose of providing additional
16 revenue for volunteer fire departments and part-volunteer fire departments, there is hereby
17 authorized and imposed on the policyholder of any fire insurance policy or casualty insurance
18 policy issued by any insurer, authorized or unauthorized, or by any risk retention group, a policy
19 surcharge equal to ~~fifty-five one hundredths~~ of one percent of the taxable premium for each such
20 policy.

21 ~~(4)~~ (b) For purposes of this section, casualty insurance may not include insurance on the
22 life of a debtor pursuant to or in connection with a specific loan or other credit transaction or
23 insurance on a debtor to provide indemnity for payments becoming due on a specific loan or other

24 credit transaction while the debtor is disabled as defined in the policy. The policy surcharge may
25 not be subject to premium taxes, agent commissions or any other assessment against premiums.

26 ~~(b)~~ (c) The policy surcharge shall be collected and remitted to the Commissioner by the
27 insurer, or in the case of surplus lines coverage, by the surplus lines licensee, or if the policy is
28 issued by a risk retention group, by the risk retention group. The amount required to be collected
29 under this section shall be remitted to the Commissioner on a quarterly basis on or before the
30 twenty-fifth day of the month succeeding the end of the quarter in which they are collected, except
31 for the fourth quarter for which the surcharge shall be remitted on or before March 1 of the
32 succeeding year.

33 ~~(e)~~ (d) Any person failing or refusing to collect and remit to the Commissioner any policy
34 surcharge and whose surcharge payments are not postmarked by the due dates for quarterly
35 filing is liable for a civil penalty of up to \$100 for each day of delinquency, to be assessed by the
36 Commissioner. The Commissioner may suspend the insurer, broker or risk retention group until
37 all surcharge payments and penalties are remitted in full to the Commissioner.

38 ~~(d)~~ (e) (1) All money from the policy surcharge shall be collected by the Commissioner
39 who shall disburse the money received from the surcharge into a special account in the state
40 Treasury, designated the Fire Protection Fund. The net proceeds of this portion of the tax and the
41 interest thereon, after appropriation by the Legislature, shall be distributed quarterly on the first
42 day of the months of January, April, July and October to each volunteer fire company or
43 department on an equal share basis by the state Treasurer. ~~After June 30, 2005, the money~~
44 ~~received from the surcharge shall be distributed as specified in subdivisions (2) and (3) of this~~
45 ~~subsection.~~

46 ~~(2)(A) After June 30, 2005, through December 31, 2005, all money from the policy~~
47 ~~surcharge shall be collected by the Commissioner who shall disburse one half of the money~~
48 ~~received from the surcharge into the Fire Protection Fund for distribution as provided in~~
49 ~~subdivision (1) of this subsection.~~

50 ~~(B) The remaining portion of moneys collected shall be transferred into the fund in the~~
51 ~~state Treasury of the Public Employees Insurance Agency into which are deposited the~~
52 ~~proportionate shares made by agencies of this state of the Public Employees Insurance Agency~~
53 ~~costs of those agencies, until November 1, 2005. After the October 31, 2005, through December~~
54 ~~31, 2005, the remain portion shall be transferred to the special account in the state Treasury,~~
55 ~~known as the Municipal Pensions and Protection Fund~~

56 ~~(3)~~ (2) After ~~December 31, 2005~~ June 30, 2022, all money from the policy surcharge shall
57 be collected by the Commissioner who shall disburse all of the money received from the surcharge
58 as follows:

59 (A) Sixty-four percent into the Fire Protection Fund for distribution as provided in
60 subdivision (1) of this subsection;

61 (B) Twenty-two percent into the Fire Service Equipment and Training Fund established by
62 §15A-11-11 of this code; and

63 (C) Fourteen percent into the Fire Service Recruitment and Retention Fund established
64 by §15A-11-11a of this code.

65 ~~(4)~~ (3) Before each distribution date to volunteer fire companies or departments, the state
66 Fire Marshal shall report to the state Treasurer the names and addresses of all volunteer and
67 part-volunteer fire companies and departments within the state which meet the eligibility
68 requirements established in §8-15-8a of this code.

69 ~~(e)~~ (f) The allocation, distribution and use of revenues provided in the Fire Protection Fund
70 are subject to the provisions of §8-15-8a and §8-15-8b of this code.

NOTE: The purpose of this bill is to provide for recruitment and retention of volunteer and part volunteer fire departments.

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