

H. B. 3271

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(Originating in the Committee on Finance)
[February 25, 2011]

A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section, designated §12-4-14a; and to amend said code by adding thereto a new section, designated §33-3-33a, all relating to the distribution of state funds to volunteer fire companies and departments generally; establishing the Volunteer Fire Department Workers' Compensation Premium Subsidy Fund; providing that the state auditor administer the distribution of moneys of the fund to volunteer and part volunteer fire companies and departments to help defray workers' compensation insurance premium increases; and providing additional funding from excess insurance premium taxes.

Be it enacted by the Legislature of West Virginia:

That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new section, designated §12-4-14a; and that said code be amended by adding thereto a new section, designated §33-3-33a, all to read as follows:

CHAPTER 12. PUBLIC MONEYS AND SECURITIES.

ARTICLE 4. ACCOUNTS, REPORTS AND GENERAL PROVISIONS.

§12-4-14a. Workers' Compensation Premium Subsidy for Volunteer Fire Departments; creation of Volunteer Fire Department Workers' Compensation Premium Subsidy Fund; auditor to administer.

1 (a) In recognition of the burden of increasing workers'
2 compensation insurance premiums on volunteer and part
3 volunteer fire companies and departments, the Legislature
4 has determined that additional funding assistance should be
5 made available to eligible departments to pay those premium
6 increases beginning with invoices due and payable on or after
7 July 1, 2011.

8 (b) There is hereby established a special fund in the state
9 treasury which shall be known as the "Volunteer Fire
10 Department Workers' Compensation Premium Subsidy
11 Fund." The fund shall be administered by the State Auditor

12 and consist of moneys deposited in the fund pursuant to §33-
13 3-33a, any other funds appropriated by the Legislature for
14 volunteer and part volunteer fire companies and departments
15 for the purposes of this section, and the interest or other
16 earnings on the moneys in the fund. Balances in the fund at
17 the end of any fiscal year shall not expire, but shall be
18 expended for the purposes of this section in ensuing fiscal
19 years pursuant to appropriation of the Legislature.

20 (c) The state auditor shall administer the distribution of
21 moneys of the fund to volunteer and part volunteer fire
22 companies and departments to help defray workers’
23 compensation insurance premium increases.

24 (1) Volunteer and part volunteer fire companies and
25 departments shall request supplemental funds by submitting
26 to the auditor the following information:

27 (A) The previous fiscal year’s workers’ compensation
28 premium invoices with paid receipts;

29 (B) The current fiscal year’s workers’ compensation
30 premium invoices showing the amount due and due date and
31 any applicable paid receipts; and

32 (C) Any other information the auditor may deem
33 necessary for administering the subsidy on such forms and

34 schedules as the auditor may direct. The auditor is
35 authorized to set up an electronic filing system at the
36 discretion of the auditor for filing of the aforementioned
37 information.

38 (D) For purposes of this section, “fiscal year” means the
39 fiscal year of this State.

40 (2) After determining that there is a premium increase
41 and the amount of the premium increase for the volunteer
42 company or department requesting the subsidy, the auditor
43 shall make disbursements in the manner set forth in
44 subsection (d) of this section subject to the following
45 requirements:

46 (A) The volunteer company or department must be in
47 good standing with the State Fire Marshal;

48 (B) The volunteer company or department must be
49 registered with the auditor’s office in a form and manner
50 prescribed by the auditor prior to being eligible for
51 consideration of any subsidy, which registration must be
52 completed no fewer than thirty days prior to the due date of
53 the workers’ compensation premium;

54 (C) The volunteer company or department must agree
55 that the subsidy for its workers’ compensation insurance

56 premium increase will be paid directly to its insurance carrier
57 by the auditor and that it will timely pay the balance of the
58 premium due;

59 (d) Beginning with the fiscal year that starts July 1, 2011,
60 and continuing in each fiscal year thereafter, after the auditor
61 has verified that a company or department is eligible for a
62 subsidy pursuant to this section, he or she shall pay on behalf
63 of that company or department its subsidy, which is
64 calculated by subtracting the individual base year premium
65 from the individual premium. In no event shall a company or
66 department receive a workers' compensation premium
67 subsidy greater than one hundred percent of its premium
68 increase.

69 (e) For fiscal years after the fiscal year beginning on July
70 1, 2011, the auditor shall consult with the insurance
71 commissioner to determine the total amount of workers'
72 compensation premium due by volunteer and part volunteer
73 fire companies and departments for any subsequent fiscal
74 year. The auditor may determine payment dates based upon
75 information reasonably available for such a determination.

76 (f) For the purposes of this section:

77 (1) "Individual base year premium" shall mean the
78 workers' compensation insurance premium that became due

79 and payable by a volunteer company or department after June
80 30, 2010, but before July 1, 2011.

81 (2) "Individual premium" shall mean the workers'
82 compensation premium due and payable by a volunteer
83 company or department in each twelve month period
84 beginning on or after July 1, 2011.

85 (3) "Volunteer company or department" shall mean a
86 volunteer or part volunteer fire company or department that
87 was qualified to receive a distribution from the Fire
88 Protection Fund pursuant to section thirty-three, article three,
89 chapter thirty-three of this code on July 1, 2010 and is, at the
90 time of the distribution under this section, eligible to receive
91 distributions from the Fire Protection Fund.

92 (g) The auditor may promulgate emergency rules and
93 may propose for promulgation legislative rules, in accordance
94 with the provisions of article three, chapter twenty-nine-a of
95 this code, as are necessary to provide for implementation and
96 enforcement of the provisions of this section.

97 (h) The implementation of the provisions of this section
98 shall undergo a review to assess its effectiveness after three
99 years of operation. The auditor shall submit a report to the
100 Legislature not later than February 1, 2015, and provide

101 details of the implementation, including funds distributed and
102 departments taking advantage of the subsidy, as well as the
103 assessment of its effectiveness.

104 (i) No provision of this section may be construed to
105 require the auditor to provide funding for the purposes of this
106 section in any amount in excess of the moneys available in
107 the Volunteer Fire Department Workers' Compensation
108 Premium Subsidy Fund.

CHAPTER 33. INSURANCE.

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.

1 (a) Beginning July 1, 2011, and in each fiscal year
2 thereafter, the excess of the aggregate of amounts collected
3 by the commissioner that are otherwise required under any
4 provision of this code to be deposited into the Fire Protection
5 Fund over the aggregate of those amounts deposited into the
6 Fire Protection Fund during the fiscal year ending June 30,
7 2011, shall be deposited into the Volunteer Fire Department
8 Workers' Compensation Premium Subsidy Fund established
9 pursuant to section fourteen-a, article four, chapter twelve of
10 this code and expended solely for the purposes established in
11 that section.