

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Committee Substitute

for

Senate Bill 1006

By Senator Morris

[Reported February 24, 2026, from the Committee on
Government Organization]

1 A BILL to amend and reenact §33-3-14d of the Code of West Virginia, 1931, as amended, relating
2 to fire and casualty insurance premium tax; and providing equal share of certain funds to
3 certain fire companies and departments.

Be it enacted by the Legislature of West Virginia:

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

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

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

9 (2) (1) All moneys collected from this additional tax shall be received by the commissioner
10 and paid by him or her into a special account in the State Treasury, designated the Municipal
11 Pensions and Protection Fund. ~~Provided, That on or after January 1, 2010, the~~ The commissioner
12 shall pay 10 percent of the amount collected to the Teachers Retirement System Reserve Fund
13 created in §18-7A-18 of this code, 25 percent of the amount collected to the Fire Protection Fund
14 created in §33-3-33 of this code for allocation by the Treasurer to volunteer and part-volunteer fire
15 companies and departments, and 65 percent of the amount collected to the Municipal Pensions
16 and Protection Fund: *Provided, however,* That upon notification by the Municipal Pensions
17 Oversight Board pursuant to the provisions of §8-22-18b this code, on or after January 1, 2010, or
18 as soon thereafter as the Municipal Pensions Oversight Board is prepared to receive the funds, 65
19 percent of the amount collected by the commissioner shall be deposited in the Municipal Pensions

20 Security Fund created in §8-22-18b of this code. The net proceeds of this tax after appropriation
21 thereof by the Legislature is distributed in accordance with the provisions of this section, except for
22 distribution from proceeds pursuant to §8-22-18a(d) of this code.

23 (b)(1) Before August 1 of each year, the treasurer of each municipality in which a municipal
24 policemen's or firemen's pension and relief fund is established shall report to the ~~State Treasurer~~
25 Municipal Pensions Oversight Board created in §8-22-18a of this code the average monthly
26 number of members who worked at least 100 hours per month and the average monthly number of
27 retired members of municipal policemen's or firemen's pension and relief fund or the Municipal
28 Police Officers and Firefighters Retirement System during the preceding fiscal year: ~~Provided,~~
29 ~~That beginning in the year 2010 and continuing thereafter, the report shall be made to the~~
30 ~~oversight board created in §8-22-18a of this code.~~ These reports received by the oversight board
31 shall be provided annually to the State Treasurer by September 1.

32 (2) (1) Before September 1 of each calendar year, the State Treasurer, or the Municipal
33 Pensions Oversight Board, ~~once in operation,~~ shall allocate and authorize for distribution the
34 revenues in the Municipal Pensions and Protection Fund which were collected during the
35 preceding calendar year for the purposes set forth in this section. Before September 1 of each
36 calendar year and after the Municipal Pensions Oversight Board has notified the Treasurer and
37 commissioner pursuant to §8-22-18b of this code, the Municipal Pensions Oversight Board shall
38 allocate and authorize for distribution the revenues in the Municipal Pensions Security Fund which
39 were collected during the preceding calendar year for the purposes set forth in this section. In any
40 year the actuarial report required by §8-22-20 of this code indicates that no actuarial deficiency
41 exists in the municipal policemen's or firemen's pension and relief fund and that no pension
42 funding revenue bonds of the building commission of such municipality remain outstanding, no
43 revenues may be allocated from the Municipal Pensions and Protection Fund or the Municipal
44 Pensions Security Fund to that fund. The revenues from the Municipal Pensions and Protection
45 Fund shall then be allocated to all other pension and relief funds which have an actuarial

46 deficiency. Pension funding revenue bonds include bonds of a municipality's building commission
47 the net proceeds of which were used to fund either or both of a municipality's policemen's or
48 firemen's pension and relief fund or bonds issued to refinance such bonds.

49 ~~(3)~~ (2) The Municipal Pensions Oversight Board shall annually review the investment
50 performance of each municipal policemen's or firemen's pension and relief fund. If the municipal
51 pension and relief fund's board fails for three consecutive years to comply with the investment
52 provisions established in §8-22-22a of this code, the oversight board may require the municipal
53 policemen's or firemen's pension and relief fund to invest with the Investment Management Board
54 to continue to receive its allocation of funds from the premium tax. If the municipal pension and
55 relief fund fails to move its investments to the Investment Management Fund within the 18-month
56 drawdown period, provided in §8-22-19(e) of this code, the revenues shall be reallocated to all
57 other municipal policemen's or firemen's pension and relief funds that have drawn down 100
58 percent of their allocations.

59 ~~(4)~~ (3) The moneys, and the interest earned thereon, in the Municipal Pensions and Fire
60 Protection Fund allocated to volunteer and part-volunteer fire companies and departments, shall
61 be allocated and distributed quarterly to the volunteer fire companies and departments. Before
62 each distribution date, the State Fire Marshal shall report to the State Treasurer the names and
63 addresses of all volunteer and part-volunteer fire companies and departments within the state
64 which meet the eligibility requirements established in §8-15-8A of this code.

65 ~~(c)(4)~~ Each municipal pension and relief fund shall have allocated and authorized for
66 distribution a pro rata share of the revenues allocated to municipal policemen's and firemen's
67 pension and relief funds based on the corresponding municipality's average monthly number of
68 police officers and firefighters who worked at least 100 hours per month during the preceding fiscal
69 year. On and after July 1, 1997, from the growth in any moneys collected pursuant to the tax
70 imposed by this section and interest thereon there shall be allocated and authorized for distribution
71 to each municipal pension and relief fund, a pro rata share of the revenues allocated to municipal

72 policemen's and firemen's pension and relief funds based on the corresponding municipality's
73 average number of police officers and firefighters who worked at least 100 hours per month and
74 average monthly number of retired police officers and firefighters. For the purposes of this
75 subsection, the growth in moneys collected from the tax collected pursuant to this section is
76 determined by subtracting the amount of the tax collected during the fiscal year ending June 30,
77 1996, from the tax collected during the fiscal year for which the allocation is being made and
78 interest thereon. All moneys received by municipal pension and relief funds under this section may
79 be expended only for those purposes described in §8-22-16 through §8-22-28a inclusive, of this
80 code. Notwithstanding the foregoing provision of this subdivision, if a municipality has outstanding
81 pension funding revenue bonds and continues to pay the normal cost of its policemen's and
82 firemen's pension and relief funds, then the allocable share of revenues to be allocated which
83 would otherwise have been allocated to a municipal policemen's or firemen's pension and relief
84 fund shall instead be allocated to the trustee of any outstanding pension funding revenue bonds.

85 ~~(2)~~ (1) Each volunteer fire company or department shall receive an equal share of the
86 revenues allocated for volunteer and part-volunteer fire companies and departments.

87 ~~(3)~~ (2) In addition to the share allocated and distributed in accordance with subdivision ~~(4)~~
88 (c) of this subsection, each municipal fire department composed of full-time paid members and
89 volunteers and part-volunteer fire companies and departments shall receive a share equal to the
90 share distributed to volunteer fire companies under subdivision ~~(2)~~ (1) of this subsection. ~~reduced~~
91 ~~by an amount equal to the share multiplied by the ratio of the number of full-time paid fire~~
92 ~~department members who are also members of a municipal firemen's pension and relief fund or~~
93 ~~the Municipal Police Officers and Firefighters Retirement System to the total number of members~~
94 ~~of the fire department.~~ If a municipality has outstanding pension funding revenue bonds and
95 continues to pay the normal cost of its policemen's and firemen's pension and relief funds, then the
96 share that would otherwise be payable to the municipality's firemen's pension and relief fund
97 pursuant to this subsection shall be paid to the trustee of such outstanding pension funding

98 revenue bonds.

99 (d) The allocation and distribution of revenues provided in this section are subject to the
100 provisions of §8-22-20, ~~of this code and §8-15-8a, and §8-15-8b~~ of this code.

101 (e) Based upon the findings of an audit by the Treasurer, the Legislature hereby finds and
102 declares that during the period of 1982 through April 27, 2012, allocations from the Municipal
103 Pensions and Protection Fund were miscalculated and errors were made in amounts transferred,
104 resulting in overpayments and underpayments to the relief and pension funds and to the Teachers
105 Retirement System, and that the relief and pension funds and the Teachers Retirement System
106 were not at fault for any of the overpayments and underpayments. The Legislature hereby further
107 finds and declares that any attempt by the Municipal Pension Oversight Board or other entity to
108 recover any of the overpayments would be unjust and create economic hardship for the entities
109 that received overpayments. No entity, including, without limitation, the Municipal Pension
110 Oversight Board, may seek to recover from a relief or pension fund, the Teachers Retirement
111 System or the state any overpayments received from the Municipal Pensions and Protection Fund
112 and the overpayments are not subject to recovery, offset, or litigation. Pursuant to the audit by the
113 Treasurer, the amount of \$3,631,846.55 is determined owed to specific relief and pension funds
114 through the period of April 27, 2012. The Treasurer ~~is hereby authorized to~~ may transfer the
115 amount of \$3,631,846.55 from the Unclaimed Property Trust Fund to the Municipal Pensions and
116 Protection Fund, which is hereby reopened for the sole purpose of the transfer and remittances
117 pursuant to this subsection, and to use the amount transferred to remit the amounts due to the
118 pension and relief funds. The payment of \$3,631,846.55 to the pension and relief funds is
119 complete satisfaction of any amounts due and no entity, including, without limitation, the Municipal
120 Pension Oversight Board and any pension or relief fund, may seek to recover any further amounts

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

