

1 COMMITTEE SUBSTITUTE

2 FOR

3 **Senate Bill No. 544**

4 (By Senators Foster, Wells, McCabe, Wills, Edgell, Snyder,
5 Palumbo, Yost, Klempa and Kessler (Acting President))

6 _____
7 [Originating in the Committee on Finance;
8 reported February 25, 2011.]
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11
12 A BILL to amend and reenact §8-22-16 and §8-22-20 of the Code of
13 West Virginia, 1931, as amended; to amend and reenact §8-22A-
14 28 of said code; and to amend and reenact §33-3-14d of said
15 code, all relating to municipal policemen's and firemen's
16 pension and relief funds and Municipal Police Officers and
17 Fire Fighters Retirement System; providing additional method
18 for municipalities to finance policemen's and firemen's
19 pension and relief funds; authorizing Municipal Pensions
20 Oversight Board to contract for actuarial services; clarifying
21 disclosures required in actuarial reports; extending time to
22 elect Social Security benefits; and reallocating certain
23 premium tax funds for three years to municipal policemen's and
24 firemen's pension and relief funds and volunteer and part-
25 volunteer fire companies.

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

1 That §8-22-16 and §8-22-20 of the Code of West Virginia, 1931,
2 as amended, be amended and reenacted; that §8-22A-28 of said code
3 be amended and reenacted; and that §33-3-14d of said code be
4 amended and reenacted, all to read as follows:

5 **CHAPTER 8. MUNICIPAL CORPORATIONS.**

6 **ARTICLE 22. RETIREMENT BENEFITS GENERALLY; POLICEMEN'S PENSION**
7 **AND RELIEF FUND; FIREMEN'S PENSION AND RELIEF**
8 **FUND; PENSION PLANS FOR EMPLOYEES OF WATERWORKS**
9 **SYSTEM, SEWERAGE SYSTEM OR COMBINED WATERWORKS AND**
10 **SEWERAGE SYSTEM.**

11 **§8-22-16. Pension and relief funds for policemen and firemen;**
12 **creation of boards of trustees; definitions;**
13 **continuance of funds; average adjusted salary.**

14 (a) Except as provided in subsection (e) of this section,
15 passed into law during the fourth extraordinary session of the
16 Legislature in 2009, in every Class I and Class II city having, or
17 which may hereafter have, a paid police department and a paid fire
18 department, or either of such departments, the governing body
19 shall, and in every Class III city and Class IV town or village
20 having, or which may hereafter have, a paid police department and
21 a paid fire department, or either of such departments, the
22 governing body may, by ordinance provide for the establishment and
23 maintenance of a policemen's pension and relief fund and for a
24 firemen's pension and relief fund for the purposes hereinafter
25 enumerated and, thereupon, there shall be created boards of

1 trustees which shall administer and distribute the moneys
2 authorized to be raised by this section and the following sections
3 of this article. For the purposes of this section and sections
4 seventeen through twenty-eight, inclusive, of this article, the
5 term "paid police department" or "paid fire department" means only
6 a municipal police department or municipal fire department, as the
7 case may be, maintained and paid for out of public funds and whose
8 employees are paid on a full-time basis out of public funds. The
9 term shall not be taken to mean any department whose employees are
10 paid nominal salaries or wages or are only paid for services
11 actually rendered on an hourly basis.

12 (b) Any policemen's pension and relief fund and any firemen's
13 pension and relief fund established in accordance with the
14 provisions of former article six of this chapter or this article
15 shall be or remain mandatory and shall be governed by the
16 provisions of sections sixteen through twenty-eight, inclusive, of
17 this article (with like effect, in the case of a Class III city or
18 Class IV town or village, as if such Class III city or Class IV
19 town or village were a Class I or Class II city) and shall not be
20 affected by the transition from one class of municipal corporation
21 to a lower class as specified in section three, article one of this
22 chapter: *Provided*, That any Class III or Class IV town or village
23 that hereafter becomes a Class I or Class II city shall not be
24 required to establish a pension and relief fund if the town or
25 village is a participant in an existing pension plan regarding paid
26 firemen and/or policemen.

1 (c) After June 30, 1981, for the purposes of sections sixteen
2 through twenty-eight, inclusive, of this article, the word "member"
3 means any paid police officer or firefighter who at time of
4 appointment to a paid police or fire department met the medical
5 requirements of chapter 2-2 of the National Fire Protection
6 Association Standards Number 1001 -- Firefighters Professional
7 Qualifications '74 as updated from year to year: *Provided*, That
8 any police officer or firefighter who was a member of the fund
9 prior to July 1, 1981, shall be considered a member after June 30,
10 1981.

11 (d) For purposes of sections sixteen through twenty-eight,
12 inclusive, of this article, the words "salary or compensation" mean
13 remuneration actually received by a member, plus the member's
14 deferred compensation under sections 125, 401(k), 414(h)(2) and 457
15 of the United States Internal Revenue Code of 1986, as amended:
16 *Provided*, That the remuneration received by the member during any
17 twelve-consecutive-month period used in determining benefits which
18 is in excess of an amount which is twenty percent greater than the
19 "average adjusted salary" received by the member in the two
20 consecutive twelve-consecutive-month periods immediately preceding
21 the twelve-consecutive-month period used in determining benefits
22 shall be disregarded: *Provided, however*, That the "average
23 adjusted salary" means the arithmetic average of each year's
24 adjusted salary, the adjustment made to reflect current salary rate
25 and such average adjusted salary shall be determined as follows:
26 Assuming "year-one" means the second twelve-consecutive-month

1 period preceding such twelve-consecutive-month period used in
2 determining benefits, "year-two" means the twelve-consecutive-month
3 period immediately preceding the twelve-consecutive-month period
4 used in determining benefits and "year-three" means the twelve-
5 consecutive-month period used in determining benefits, year-one
6 total remuneration shall be multiplied by the ratio of year-three
7 base salary, exclusive of all overtime and other remuneration, to
8 year-one base salary, exclusive of all overtime and other
9 remuneration, such product shall equal "year-one adjusted salary";
10 year-two total remuneration shall be multiplied by the ratio of
11 year-three base salary, exclusive of all overtime and other
12 remuneration, to year-two base salary, exclusive of all overtime
13 and other remuneration, such product shall equal "year-two adjusted
14 salary"; and the arithmetic average of year-one adjusted salary and
15 year-two adjusted salary shall equal the average adjusted salary.

16 (e) (1) Any municipality, as that term is defined in section
17 two, article one of this chapter, or municipal subdivision as
18 defined in section two, article twenty-two-a of this chapter may,
19 by a majority vote of its governing body, close its existing
20 policemen's or firemen's pension and relief fund to employees newly
21 hired on or after January 1, 2010, if the municipality enrolls
22 those newly hired police officers or firefighters in a retirement
23 plan created in article twenty-two-a of this chapter and approved
24 and administered by the West Virginia Consolidated Public
25 Retirement Board. On and after July 1, 2010, no new policemen's or
26 firemen's pension and relief fund may be established under this

1 section. A Class I or Class II municipality forming a new paid
2 police department or paid fire department after June 30, 2010,
3 shall, notwithstanding the provisions of section two, article
4 twenty-two-a of this chapter, enroll the department members in the
5 Municipal Police Officers and Firefighters Retirement System
6 established in article twenty-two-a of this chapter.

7 (2) Any municipality using the alternative method of financing
8 that elects to close an existing pension and relief fund to new
9 hires pursuant to this subsection shall also adopt either the
10 optional method of financing the unfunded actuarial accrued
11 liability of the existing policemen's or firemen's pension and
12 relief fund as provided in subsection (e), or the conservation
13 method as provided in subsection (f), section twenty of this
14 article.

15 (3) Except as provided in section thirty-two, article twenty-
16 two-a of this chapter, if the qualifying municipality elects to
17 close enrollment in an existing municipal pension and relief fund
18 to newly hired police officers and firefighters pursuant to this
19 section, all current active members, retirees and other
20 beneficiaries covered by the existing policemen's or firemen's
21 pension and relief fund shall remain covered by that plan and shall
22 be paid all benefits of that plan in accordance with Part III of
23 this article.

24 **§8-22-20. Actuary; actuarial valuation report; minimum standards**
25 **for annual municipality contributions to the fund;**
26 **definitions; actuarial review and audit.**

1 (a) The West Virginia Municipal Pensions Oversight Board shall
2 contract with or employ a qualified actuary to annually prepare an
3 actuarial valuation report on each pension and relief fund. The
4 selection of contract vendors to provide actuarial services,
5 including the reviewing actuary as provided in subsection (c) of
6 this section, shall be by competitive bid process but is
7 specifically exempt from purchasing provisions of article three,
8 chapter five-a of this code. The expense of the actuarial report
9 shall be paid from moneys in the Municipal Pensions Security Fund.
10 Uses of the actuarial valuations from the qualified actuary shall
11 include, but not be limited to, determining a municipal policemen's
12 or firemen's pension and relief fund's eligibility to receive state
13 money and to provide supplemental benefits.

14 (b) The actuarial valuation report provided pursuant to
15 subsection (a) of this section shall consist of, but is not limited
16 to, the following disclosures: (1) The financial objective of the
17 fund and how the objective is to be attained; (2) the progress
18 being made toward realization of the financial objective; (3)
19 recent changes in the nature of the fund, benefits provided or
20 actuarial assumptions or methods; (4) the frequency of actuarial
21 valuation reports and the date of the most recent actuarial
22 valuation report; (5) the method used to value fund assets; (6) the
23 extent to which the qualified actuary relies on the data provided
24 and whether the data was certified by the fund's Auditor or
25 examined by the qualified actuary for reasonableness; (7) a
26 description and explanation of the actuarial assumptions and

1 methods; (8) an evaluation of each plan using the alternative
2 funding method, to assess advantages of changing to other funding
3 methods as provided in this article; and ~~(8)~~ (9) any other
4 information required in section twenty-a of this article or that
5 the qualified actuary feels is necessary or would be useful in
6 fully and fairly disclosing the actuarial condition of the fund.

7 (c) (1) Except as provided in subsections (e) and (f) of this
8 section, beginning June 30, 1991, and thereafter, the financial
9 objective of each municipality shall not be less than to contribute
10 to the fund annually an amount which, together with the
11 contributions from the members and the allocable portion of the
12 Municipal Pensions and Protection Fund for municipal pension and
13 relief funds established under section fourteen-d, article three,
14 chapter thirty-three of this code or a municipality's allocation
15 from the Municipal Pensions Security Fund created in section
16 eighteen-b of this article and other income sources as authorized
17 by law will be sufficient to meet the normal cost of the fund and
18 amortize any actuarial deficiency over a period of not more than
19 forty years beginning from July 1, 1991: *Provided*, That in the
20 fiscal year ending June 30, 1991, the municipality may elect to
21 make its annual contribution to the fund using an alternative
22 contribution in an amount not less than: (i) One hundred seven
23 percent of the amount contributed for the fiscal year ending June
24 30, 1990; or (ii) an amount equal to the average of the
25 contribution payments made in the five highest fiscal years
26 beginning with the fiscal year ending 1984, whichever is greater:

1 *Provided, however,* That contribution payments in subsequent fiscal
2 years under this alternative contribution method may not be less
3 than one hundred seven percent of the amount contributed in the
4 prior fiscal year: *Provided further,* That in order to avoid
5 penalizing municipalities and to provide flexibility when making
6 contributions, municipalities using the alternative contribution
7 method may exclude a one-time additional contribution made in any
8 one year in excess of the minimum required by this section: *And*
9 *provided further,* That the governing body of any municipality may
10 elect to provide an employer continuing contribution of one percent
11 more than the municipality's required minimum under the alternative
12 contribution plan authorized in this subsection: *And provided*
13 *further,* That if any municipality decides to contribute an
14 additional one percent, then that municipality may not reduce the
15 additional contribution until the respective pension and relief
16 fund no longer has any actuarial deficiency: *And provided further,*
17 That any decision and any contribution payment by the municipality
18 is not the liability of the State of West Virginia: *And provided*
19 *further,* That if any municipality or any pension fund board of
20 trustees makes a voluntary election and thereafter fails to
21 contribute the voluntarily increase as provided in this section and
22 in ~~subdivision (4), subsection (b)~~ subsection (c), section nineteen
23 of this article, then the board of trustees is not eligible to
24 receive funds allocated under section fourteen-d, article three,
25 chapter thirty-three of this code: *And provided further,* That

1 prior to using this alternative contribution method the actuary of
2 the fund shall certify in writing that the fund is projected to be
3 solvent under the alternative contribution method for the next
4 consecutive fifteen-year period. For purposes of determining this
5 minimum financial objective: (i) The value of the fund's assets
6 shall be determined on the basis of any reasonable actuarial method
7 of valuation which takes into account fair market value; and (ii)
8 all costs, deficiencies, rate of interest and other factors under
9 the fund shall be determined on the basis of actuarial assumptions
10 and methods which, in aggregate, are reasonable (taking into
11 account the experience of the fund and reasonable expectations) and
12 which, in combination, offer the qualified actuary's best estimate
13 of anticipated experience under the fund: *And provided further,*
14 That any municipality which elected the alternative funding method
15 under this section and which has an unfunded actuarial liability of
16 not more than twenty-five percent of fund assets, may, beginning
17 September 1, 2003, elect to revert to the standard funding method,
18 which is to contribute to the fund annually an amount which is not
19 less than an amount which, together with the contributions from the
20 members and the allocable portion of the Municipal Pensions and
21 Protection Fund for municipal pension and relief funds established
22 under section fourteen-d, article three, chapter thirty-three of
23 this code and other income sources as authorized by law, will be
24 sufficient to meet the normal cost of the fund and amortize any
25 actuarial deficiency over a period of not more than forty years,
26 beginning from July 1, 1991.

1 (2) No municipality may anticipate or use in any manner any
2 state funds accruing to the police or firemen's pension fund to
3 offset the minimum required funding amount for any fiscal year.

4 (3) Notwithstanding any other provision of this section or
5 article to the contrary, each municipality shall contribute
6 annually to the fund an amount which may not be less than the
7 normal cost, as determined by the actuarial report.

8 (4) The actuarial process, which includes the selection of
9 methods and assumptions, shall be reviewed by the qualified actuary
10 no less than once every five years. Furthermore, the qualified
11 actuary shall provide a report to the oversight board with
12 recommendations on any changes to the actuarial process.

13 (5) The oversight board shall hire an independent reviewing
14 actuary to perform an actuarial audit of the work performed by the
15 qualified actuary no less than once every seven years.

16 (d) For purposes of this section, the term "qualified actuary"
17 means only an actuary who is a member of the Society of Actuaries
18 or the American Academy of Actuaries. The qualified actuary shall
19 be designated a fiduciary and shall discharge his or her duties
20 with respect to a fund solely in the interest of the members and
21 members' beneficiaries of that fund. In order for the standards of
22 this section to be met, the qualified actuary shall certify that
23 the actuarial valuation report is complete and accurate and that in
24 his or her opinion the technique and assumptions used are
25 reasonable and meet the requirements of this section.

26 (e) (1) Beginning January 1, 2010, municipalities may choose

1 the optional method of financing municipal policemen's or firemen's
2 pension and relief funds as outlined in this subsection in lieu of
3 the standard or alternative methods as provided in subdivision (1),
4 subsection (c) of this section. ~~The optional method provides an~~
5 ~~option to the existing standard or alternative methods of financing~~
6 ~~the funds.~~

7 (2) For those municipalities choosing the optional method of
8 finance, the minimum standard for annual municipality contributions
9 to each policemen's or firemen's pension and relief fund shall be
10 an amount which, together with the contributions from the members
11 and allocable portion of the Municipal Pensions and Protection Fund
12 or Municipal Pensions Security Fund created in section eighteen-b
13 of this article, and other income sources as authorized by law,
14 will be sufficient to meet the normal cost of the fund and amortize
15 any actuarial deficiency over a period of not more than forty years
16 beginning January 1, 2010: *Provided*, That those municipalities
17 using the standard method of financing in 2009 shall continue to
18 amortize their actuarial deficiencies over a period of not more
19 than forty years beginning July 1, 1991. The required contribution
20 shall be determined each plan year as described above by the
21 actuary retained by the oversight board, based on an actuarial
22 valuation reflecting actual demographic and investment experience
23 and consistent with the Actuarial Standards of Practice published
24 by the Actuarial Standards Board.

25 (3) A municipality choosing the optional method of financing
26 a policemen's or firemen's pension and relief fund as provided in

1 this subsection shall close the fund to police officers or fire
2 fighters newly hired on or after January 1, 2010, and provide for
3 those employees to be members of the Municipal Police Officers and
4 Firefighters Retirement System as established in article twenty-
5 two-a of this chapter.

6 (f) (1) Beginning April 1, 2011, any municipality using the
7 alternative method of financing may choose a conservation method of
8 financing its municipal policemen's and firemen's pension and
9 relief funds as outlined in this subsection, in lieu of the
10 alternative method as provided in subdivision (1), subsection (c),
11 or the optional method as provided in subsection (e) of this
12 section.

13 (2) For those municipalities choosing the conservation method
14 of finance, until a plan is funded at one hundred percent, a part
15 of each plan member's employee contribution to the fund equal to
16 one and one-half percent of the employee's compensation, shall be
17 deposited into and remain in the trust and accumulate investment
18 return. In addition, until a plan is funded at one hundred
19 percent, an actuarially determined portion of the premium tax
20 allocation to each fund provided in accordance with section
21 fourteen-d, article three, and section seven, article twelve-c of
22 chapter thirty-three of this code shall also be deposited into and
23 remain in the trust and accumulate investment return. This
24 variable percentage of premium tax allocation to be retained in
25 each fund shall be determined annually by the qualified actuary
26 provided pursuant to subsection (a) of this section to be an amount

1 required, along with other assets of the fund as necessary to reach
2 a funded level of one hundred percent in thirty-five years from the
3 time of adoption of the conservation financing method. The
4 variable percentage shall be calculated using a prospective four-
5 year rolling average.

6 (3) Upon adoption of the conservation method of finance, the
7 municipality shall close its pension and relief funds to new
8 members and shall place police officers and firefighters newly
9 hired after adoption of the conservation method into the Municipal
10 Police Officers and Firefighters Retirement System created in
11 article twenty-two-a of this chapter.

12 (4) Upon adoption of the conservation method of financing, the
13 minimum standard for annual municipality contributions to each
14 policemen's or firemen's pension and relief fund shall be an amount
15 which, together with member contributions and premium tax proceeds
16 not required to be retained in the trust pursuant to this
17 subsection, and other income sources as authorized by law, is
18 sufficient to meet the annual benefit and administrative expense
19 payments from the funds on a pay-as-you-go basis: *Provided:* That
20 at the time the actuarial report required by this section indicates
21 no actuarial deficiency in the municipal policemen's or firemen's
22 pension and relief fund, the minimum annual required contribution
23 of the municipality may not be less than an amount which together
24 with all member contributions and other income authorized by law,
25 is sufficient to pay normal cost.

26 **ARTICLE 22A. WEST VIRGINIA MUNICIPAL POLICE OFFICERS AND**

1 **FIREFIGHTERS RETIREMENT SYSTEM.**

2 **§8-22A-28. How a municipality or municipal subdivision becomes a**
3 **participating public employer; duty to request**
4 **referendum on Social Security coverage.**

5 (a) Subject to section sixteen, article twenty-two of this
6 chapter, any municipality or municipal subdivision employing
7 municipal police officers or firefighters may by a majority of the
8 members of its governing body eligible to vote, elect to become a
9 participating public employer and thereby include its police
10 officers and firefighters in the membership of the plan. The clerk
11 or secretary of each municipality or municipal subdivision electing
12 to become a participating public employer shall certify the
13 determination of the municipality or municipal subdivision by
14 corporate resolution to the Consolidated Public Retirement Board
15 within ten days from and after the vote of the governing body.
16 Separate resolutions are required for municipal police officers and
17 municipal firefighters. Once a municipality or municipal
18 subdivision elects to participate in the plan, the action is final
19 and it may not, at a later date, elect to terminate its
20 participation in the plan.

21 (b) On or before October 1, ~~2011~~ 2015, the participating
22 employers shall jointly submit a plan to the State Auditor,
23 pursuant to section five, article seven, chapter five of this code,
24 to extend Social Security benefits to members of the retirement
25 system.

1 created in section thirty-three of this article for allocation by
2 the Treasurer to volunteer and part-volunteer fire companies and
3 departments and sixty-five percent of the amount collected to the
4 Municipal Pensions and Protection Fund: *Provided, however, That*
5 upon notification by the Municipal Pensions Oversight Board
6 pursuant to the provisions of section eighteen-b, article twenty-
7 two, chapter eight of this code, on or after January 1, 2010, or as
8 soon thereafter as the Municipal Pensions Oversight Board is
9 prepared to receive the funds, sixty-five percent of the amount
10 collected by the commissioner shall be deposited in the Municipal
11 Pensions Security Fund created in section eighteen-b, article
12 twenty-two, chapter eight of this code. The net proceeds of this
13 tax after appropriation thereof by the Legislature is distributed
14 in accordance with the provisions of this section, except for
15 distribution from proceeds pursuant to subsection (d), section
16 eighteen-a, article twenty-two, chapter eight of this code.

17 (3) Beginning July 1, 2011, five percent of the additional
18 premium tax and surplus lines tax previously authorized to be paid
19 to the Teachers Retirement System Reserve Fund shall be paid to the
20 Municipal Pensions Security Fund, to be distributed to those
21 municipal policemen's or firemen's pension and relief funds which
22 have closed their plans to new members and adopted either the
23 optional or conservation method of financing the pension and relief
24 funds. The money shall be retained as assets in the pension and
25 relief funds to reduce unfunded liabilities and not used to pay
26 normal costs. Allocation and distribution to the eligible pension

1 and relief funds shall be in accordance with subsection (c) of this
2 section. Five percent of the additional premium tax and surplus
3 lines tax previously authorized to be paid to the Teachers
4 Retirement System Reserve Fund shall be paid to the Fire Protection
5 Fund created in section thirty-three of this article for allocation
6 by the Treasurer to volunteer and part-volunteer fire companies.

7 (b) (1) Before August 1 of each year, the treasurer of each
8 municipality in which a municipal policemen's or firemen's pension
9 and relief fund is established shall report to the State Treasurer
10 the average monthly number of members who worked at least one
11 hundred hours per month and the average monthly number of retired
12 members of municipal policemen's or firemen's pension and relief
13 fund or the Municipal Police Officers and Firefighters Retirement
14 System during the preceding fiscal year: *Provided*, That beginning
15 in the year 2010 and continuing thereafter, the report shall be
16 made to the oversight board created in section eighteen-a, article
17 twenty-two, chapter eight of this code. These reports received by
18 the oversight board shall be provided annually to the State
19 Treasurer by September 1.

20 (2) Before September 1 of each calendar year, the State
21 Treasurer, or the Municipal Pensions Oversight Board, once in
22 operation, shall allocate and authorize for distribution the
23 revenues in the Municipal Pensions and Protection Fund which were
24 collected during the preceding calendar year for the purposes set
25 forth in this section. Before September 1 of each calendar year
26 and after the Municipal Pensions Oversight Board has notified the

1 treasurer and commissioner pursuant to section eighteen-b, article
2 twenty-two, chapter eight of this code, the Municipal Pensions
3 Oversight Board shall allocate and authorize for distribution the
4 revenues in the Municipal Pensions Security Fund which were
5 collected during the preceding calendar year for the purposes set
6 forth in this section. In any year the actuarial report required
7 by section twenty, article twenty-two, chapter eight of this code
8 indicates no actuarial deficiency in the municipal policemen's or
9 firemen's pension and relief fund, no revenues may be allocated
10 from the Municipal Pensions and Protection Fund or the Municipal
11 Pensions Security Fund to that fund. The revenues from the
12 Municipal Pensions and Protection Fund shall then be allocated to
13 all other pension and relief funds which have an actuarial
14 deficiency.

15 (3) The moneys, and the interest earned thereon, in the
16 Municipal Pensions and Protection Fund allocated to volunteer and
17 part-volunteer fire companies and departments shall be allocated
18 and distributed quarterly to the volunteer fire companies and
19 departments. Before each distribution date, the State Fire Marshal
20 shall report to the State Treasurer the names and addresses of all
21 volunteer and part-volunteer fire companies and departments within
22 the state which meet the eligibility requirements established in
23 section eight-a, article fifteen, chapter eight of this code.

24 (c)(1) Each municipal pension and relief fund shall have
25 allocated and authorized for distribution a pro rata share of the
26 revenues allocated to municipal policemen's and firemen's pension

1 and relief funds based on the corresponding municipality's average
2 monthly number of police officers and firefighters who worked at
3 least one hundred hours per month during the preceding fiscal year.
4 On and after July 1, 1997, from the growth in any moneys collected
5 pursuant to the tax imposed by this section and interest thereon
6 there shall be allocated and authorized for distribution to each
7 municipal pension and relief fund, a pro rata share of the revenues
8 allocated to municipal policemen's and firemen's pension and relief
9 funds based on the corresponding municipality's average number of
10 police officers and firefighters who worked at least one hundred
11 hours per month and average monthly number of retired police
12 officers and firefighters. For the purposes of this subsection,
13 the growth in moneys collected from the tax collected pursuant to
14 this section is determined by subtracting the amount of the tax
15 collected during the fiscal year ending June 30, 1996, from the tax
16 collected during the fiscal year for which the allocation is being
17 made and interest thereon. All moneys received by municipal
18 pension and relief funds under this section may be expended only
19 for those purposes described in sections sixteen through twenty-
20 eight, inclusive, article twenty-two, chapter eight of this code.

21 (2) Each volunteer fire company or department shall receive an
22 equal share of the revenues allocated for volunteer and part-
23 volunteer fire companies and departments.

24 (3) In addition to the share allocated and distributed in
25 accordance with subdivision (1) of this subsection, each municipal
26 fire department composed of full-time paid members and volunteers

1 and part-volunteer fire companies and departments shall receive a
2 share equal to the share distributed to volunteer fire companies
3 under subdivision (2) of this subsection reduced by an amount equal
4 to the share multiplied by the ratio of the number of full-time
5 paid fire department members who are also members of a municipal
6 firemen's pension and relief fund or the Municipal Police Officers
7 and Firefighters Retirement System to the total number of members
8 of the fire department.

9 (d) The allocation and distribution of revenues provided ~~for~~
10 in this section are subject to the provisions of section twenty,
11 article twenty-two, and sections eight-a and eight-b, article
12 fifteen, chapter eight of this code.