

COMMITTEE SUBSTITUTE

FOR

Senate Bill No. 544

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

[Originating in the Committee on Finance;
reported February 25, 2011.]

A BILL to amend and reenact §8-22-16 and §8-22-20 of the Code of West Virginia, 1931, as amended; to amend and reenact §8-22A-28 of said code; and to amend and reenact §33-3-14d of said code, all relating to municipal policemen's and firemen's pension and relief funds and Municipal Police Officers and Fire Fighters Retirement System; providing additional method for municipalities to finance policemen's and firemen's pension and relief funds; authorizing Municipal Pensions Oversight Board to contract for actuarial services; clarifying disclosures required in actuarial reports; extending time to elect Social Security benefits; and reallocating certain premium tax funds

for three years to municipal policemen's and firemen's pension and relief funds and volunteer and part-volunteer fire companies.

Be it enacted by the Legislature of West Virginia:

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

CHAPTER 8. MUNICIPAL CORPORATIONS.

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

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

1 (a) Except as provided in subsection (e) of this section,
2 passed into law during the fourth extraordinary session of
3 the Legislature in 2009, in every Class I and Class II city
4 having, or which may hereafter have, a paid police depart-
5 ment and a paid fire department, or either of such depart-

6 ments, the governing body shall, and in every Class III city
7 and Class IV town or village having, or which may hereafter
8 have, a paid police department and a paid fire department,
9 or either of such departments, the governing body may, by
10 ordinance provide for the establishment and maintenance of
11 a policemen's pension and relief fund and for a firemen's
12 pension and relief fund for the purposes hereinafter enumer-
13 ated and, thereupon, there shall be created boards of trustees
14 which shall administer and distribute the moneys authorized
15 to be raised by this section and the following sections of this
16 article. For the purposes of this section and sections seven-
17 teen through twenty-eight, inclusive, of this article, the term
18 "paid police department" or "paid fire department" means
19 only a municipal police department or municipal fire
20 department, as the case may be, maintained and paid for out
21 of public funds and whose employees are paid on a full-time
22 basis out of public funds. The term shall not be taken to
23 mean any department whose employees are paid nominal
24 salaries or wages or are only paid for services actually
25 rendered on an hourly basis.

26 (b) Any policemen's pension and relief fund and any
27 firemen's pension and relief fund established in accordance

28 with the provisions of former article six of this chapter or
29 this article shall be or remain mandatory and shall be
30 governed by the provisions of sections sixteen through
31 twenty-eight, inclusive, of this article (with like effect, in the
32 case of a Class III city or Class IV town or village, as if such
33 Class III city or Class IV town or village were a Class I or
34 Class II city) and shall not be affected by the transition from
35 one class of municipal corporation to a lower class as
36 specified in section three, article one of this chapter: *Pro-*
37 *vided*, That any Class III or Class IV town or village that
38 hereafter becomes a Class I or Class II city shall not be
39 required to establish a pension and relief fund if the town or
40 village is a participant in an existing pension plan regarding
41 paid firemen and/or policemen.

42 (c) After June 30, 1981, for the purposes of sections sixteen
43 through twenty-eight, inclusive, of this article, the word
44 “member” means any paid police officer or firefighter who
45 at time of appointment to a paid police or fire department
46 met the medical requirements of chapter 2-2 of the National
47 Fire Protection Association Standards Number 1001 —
48 Firefighters Professional Qualifications ‘74 as updated from
49 year to year: *Provided*, That any police officer or firefighter

50 who was a member of the fund prior to July 1, 1981, shall be
51 considered a member after June 30, 1981.

52 (d) For purposes of sections sixteen through twenty-eight,
53 inclusive, of this article, the words “salary or compensation”
54 mean remuneration actually received by a member, plus the
55 member’s deferred compensation under sections 125, 401(k),
56 414(h)(2) and 457 of the United States Internal Revenue Code
57 of 1986, as amended: *Provided*, That the remuneration
58 received by the member during any twelve-consecutive-
59 month period used in determining benefits which is in excess
60 of an amount which is twenty percent greater than the
61 “average adjusted salary” received by the member in the two
62 consecutive twelve-consecutive-month periods immediately
63 preceding the twelve-consecutive-month period used in
64 determining benefits shall be disregarded: *Provided, how-*
65 *ever*, That the “average adjusted salary” means the arithme-
66 tic average of each year’s adjusted salary, the adjustment
67 made to reflect current salary rate and such average adjusted
68 salary shall be determined as follows: Assuming “year-one”
69 means the second twelve-consecutive-month period preced-
70 ing such twelve-consecutive-month period used in determin-
71 ing benefits, “year-two” means the twelve-consecutive-

72 month period immediately preceding the twelve-consecutive-
73 month period used in determining benefits and “year-three”
74 means the twelve-consecutive-month period used in deter-
75 mining benefits, year-one total remuneration shall be
76 multiplied by the ratio of year-three base salary, exclusive of
77 all overtime and other remuneration, to year-one base salary,
78 exclusive of all overtime and other remuneration, such
79 product shall equal “year-one adjusted salary”; year-two
80 total remuneration shall be multiplied by the ratio of year-
81 three base salary, exclusive of all overtime and other remu-
82 neration, to year-two base salary, exclusive of all overtime
83 and other remuneration, such product shall equal “year-two
84 adjusted salary”; and the arithmetic average of year-one
85 adjusted salary and year-two adjusted salary shall equal the
86 average adjusted salary.

87 (e)(1) Any municipality, as that term is defined in section
88 two, article one of this chapter, or municipal subdivision as
89 defined in section two, article twenty-two-a of this chapter
90 may, by a majority vote of its governing body, close its
91 existing policemen’s or firemen’s pension and relief fund to
92 employees newly hired on or after January 1, 2010, if the
93 municipality enrolls those newly hired police officers or

94 firefighters in a retirement plan created in article twenty-
95 two-a of this chapter and approved and administered by the
96 West Virginia Consolidated Public Retirement Board. On and
97 after July 1, 2010, no new policemen's or firemen's pension
98 and relief fund may be established under this section. A
99 Class I or Class II municipality forming a new paid police
100 department or paid fire department after June 30, 2010,
101 shall, notwithstanding the provisions of section two, article
102 twenty-two-a of this chapter, enroll the department members
103 in the Municipal Police Officers and Firefighters Retirement
104 System established in article twenty-two-a of this chapter.

105 (2) Any municipality using the alternative method of
106 financing that elects to close an existing pension and relief
107 fund to new hires pursuant to this subsection shall also adopt
108 either the optional method of financing the unfunded
109 actuarial accrued liability of the existing policemen's or
110 firemen's pension and relief fund as provided in subsection
111 (e), or the conservation method as provided in subsection (f),
112 section twenty of this article.

113 (3) Except as provided in section thirty-two, article
114 twenty-two-a of this chapter, if the qualifying municipality
115 elects to close enrollment in an existing municipal pension

116 and relief fund to newly hired police officers and firefighters
117 pursuant to this section, all current active members, retirees
118 and other beneficiaries covered by the existing policemen's
119 or firemen's pension and relief fund shall remain covered by
120 that plan and shall be paid all benefits of that plan in
121 accordance with Part III of this article.

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

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

13 firemen's pension and relief fund's eligibility to receive state
14 money and to provide supplemental benefits.

15 (b) The actuarial valuation report provided pursuant to
16 subsection (a) of this section shall consist of, but is not
17 limited to, the following disclosures: (1) The financial
18 objective of the fund and how the objective is to be attained;
19 (2) the progress being made toward realization of the
20 financial objective; (3) recent changes in the nature of the
21 fund, benefits provided or actuarial assumptions or methods;
22 (4) the frequency of actuarial valuation reports and the date
23 of the most recent actuarial valuation report; (5) the method
24 used to value fund assets; (6) the extent to which the quali-
25 fied actuary relies on the data provided and whether the data
26 was certified by the fund's Auditor or examined by the
27 qualified actuary for reasonableness; (7) a description and
28 explanation of the actuarial assumptions and methods; (8) an
29 evaluation of each plan using the alternative funding
30 method, to assess advantages of changing to other funding
31 methods as provided in this article; and ~~(8)~~ (9) any other
32 information required in section twenty-a of this article or
33 that the qualified actuary feels is necessary or would be

34 useful in fully and fairly disclosing the actuarial condition of
35 the fund.

36 (c) (1) Except as provided in subsections (e) and (f) of this
37 section, beginning June 30, 1991, and thereafter, the finan-
38 cial objective of each municipality shall not be less than to
39 contribute to the fund annually an amount which, together
40 with the contributions from the members and the allocable
41 portion of the Municipal Pensions and Protection Fund for
42 municipal pension and relief funds established under section
43 fourteen-d, article three, chapter thirty-three of this code or
44 a municipality's allocation from the Municipal Pensions
45 Security Fund created in section eighteen-b of this article
46 and other income sources as authorized by law will be
47 sufficient to meet the normal cost of the fund and amortize
48 any actuarial deficiency over a period of not more than forty
49 years beginning from July 1, 1991: *Provided*, That in the
50 fiscal year ending June 30, 1991, the municipality may elect
51 to make its annual contribution to the fund using an alterna-
52 tive contribution in an amount not less than: (i) One hundred
53 seven percent of the amount contributed for the fiscal year
54 ending June 30, 1990; or (ii) an amount equal to the average
55 of the contribution payments made in the five highest fiscal

56 years beginning with the fiscal year ending 1984, whichever
57 is greater: *Provided, however,* That contribution payments in
58 subsequent fiscal years under this alternative contribution
59 method may not be less than one hundred seven percent of
60 the amount contributed in the prior fiscal year: *Provided*
61 *further,* That in order to avoid penalizing municipalities and
62 to provide flexibility when making contributions, municipal-
63 ities using the alternative contribution method may exclude
64 a one-time additional contribution made in any one year in
65 excess of the minimum required by this section: *And pro-*
66 *vided further,* That the governing body of any municipality
67 may elect to provide an employer continuing contribution of
68 one percent more than the municipality's required minimum
69 under the alternative contribution plan authorized in this
70 subsection: *And provided further,* That if any municipality
71 decides to contribute an additional one percent, then that
72 municipality may not reduce the additional contribution
73 until the respective pension and relief fund no longer has any
74 actuarial deficiency: *And provided further,* That any decision
75 and any contribution payment by the municipality is not the
76 liability of the State of West Virginia: *And provided further,*
77 That if any municipality or any pension fund board of

78 trustees makes a voluntary election and thereafter fails to
79 contribute the voluntarily increase as provided in this
80 section and in ~~subdivision (4), subsection (b)~~ subsection (c),
81 section nineteen of this article, then the board of trustees is
82 not eligible to receive funds allocated under section
83 fourteen-d, article three, chapter thirty-three of this code:
84 *And provided further*, That prior to using this alternative
85 contribution method the actuary of the fund shall certify in
86 writing that the fund is projected to be solvent under the
87 alternative contribution method for the next consecutive
88 fifteen-year period. For purposes of determining this mini-
89 mum financial objective: (i) The value of the fund's assets
90 shall be determined on the basis of any reasonable actuarial
91 method of valuation which takes into account fair market
92 value; and (ii) all costs, deficiencies, rate of interest and
93 other factors under the fund shall be determined on the basis
94 of actuarial assumptions and methods which, in aggregate,
95 are reasonable (taking into account the experience of the
96 fund and reasonable expectations) and which, in combina-
97 tion, offer the qualified actuary's best estimate of anticipated
98 experience under the fund: *And provided further*, That any
99 municipality which elected the alternative funding method

100 under this section and which has an unfunded actuarial
101 liability of not more than twenty-five percent of fund assets,
102 may, beginning September 1, 2003, elect to revert to the
103 standard funding method, which is to contribute to the fund
104 annually an amount which is not less than an amount which,
105 together with the contributions from the members and the
106 allocable portion of the Municipal Pensions and Protection
107 Fund for municipal pension and relief funds established
108 under section fourteen-d, article three, chapter thirty-three
109 of this code and other income sources as authorized by law,
110 will be sufficient to meet the normal cost of the fund and
111 amortize any actuarial deficiency over a period of not more
112 than forty years, beginning from July 1, 1991.

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

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

121 (4) The actuarial process, which includes the selection of
122 methods and assumptions, shall be reviewed by the qualified
123 actuary no less than once every five years. Furthermore, the
124 qualified actuary shall provide a report to the oversight
125 board with recommendations on any changes to the actuarial
126 process.

127 (5) The oversight board shall hire an independent review-
128 ing actuary to perform an actuarial audit of the work
129 performed by the qualified actuary no less than once every
130 seven years.

131 (d) For purposes of this section, the term “qualified
132 actuary” means only an actuary who is a member of the
133 Society of Actuaries or the American Academy of Actuaries.
134 The qualified actuary shall be designated a fiduciary and
135 shall discharge his or her duties with respect to a fund solely
136 in the interest of the members and members’ beneficiaries of
137 that fund. In order for the standards of this section to be met,
138 the qualified actuary shall certify that the actuarial valua-
139 tion report is complete and accurate and that in his or her
140 opinion the technique and assumptions used are reasonable
141 and meet the requirements of this section.

142 (e)(1) Beginning January 1, 2010, municipalities may
143 choose the optional method of financing municipal police-
144 men's or firemen's pension and relief funds as outlined in
145 this subsection in lieu of the standard or alternative methods
146 as provided in subdivision (1), subsection (c) of this section.
147 ~~The optional method provides an option to the existing~~
148 ~~standard or alternative methods of financing the funds.~~

149 (2) For those municipalities choosing the optional method
150 of finance, the minimum standard for annual municipality
151 contributions to each policemen's or firemen's pension and
152 relief fund shall be an amount which, together with the
153 contributions from the members and allocable portion of the
154 Municipal Pensions and Protection Fund or Municipal
155 Pensions Security Fund created in section eighteen-b of this
156 article, and other income sources as authorized by law, will
157 be sufficient to meet the normal cost of the fund and amor-
158 tize any actuarial deficiency over a period of not more than
159 forty years beginning January 1, 2010: *Provided*, That those
160 municipalities using the standard method of financing in
161 2009 shall continue to amortize their actuarial deficiencies
162 over a period of not more than forty years beginning July 1,
163 1991. The required contribution shall be determined each

164 plan year as described above by the actuary retained by the
165 oversight board, based on an actuarial valuation reflecting
166 actual demographic and investment experience and consis-
167 tent with the Actuarial Standards of Practice published by
168 the Actuarial Standards Board.

169 (3) A municipality choosing the optional method of
170 financing a policemen's or firemen's pension and relief fund
171 as provided in this subsection shall close the fund to police
172 officers or fire fighters newly hired on or after January 1,
173 2010, and provide for those employees to be members of the
174 Municipal Police Officers and Firefighters Retirement
175 System as established in article twenty-two-a of this chap-
176 ter.

177 (f) (1) Beginning April 1, 2011, any municipality using the
178 alternative method of financing may choose a conservation
179 method of financing its municipal policemen's and firemen's
180 pension and relief funds as outlined in this subsection, in lieu
181 of the alternative method as provided in subdivision (1),
182 subsection (c), or the optional method as provided in subsec-
183 tion (e) of this section.

184 (2) For those municipalities choosing the conservation
185 method of finance, until a plan is funded at one hundred

186 percent, a part of each plan member's employee contribution
187 to the fund equal to one and one-half percent of the em-
188 ployee's compensation, shall be deposited into and remain in
189 the trust and accumulate investment return. In addition,
190 until a plan is funded at one hundred percent, an actuarially
191 determined portion of the premium tax allocation to each
192 fund provided in accordance with section fourteen-d, article
193 three, and section seven, article twelve-c of chapter thirty-
194 three of this code shall also be deposited into and remain in
195 the trust and accumulate investment return. This variable
196 percentage of premium tax allocation to be retained in each
197 fund shall be determined annually by the qualified actuary
198 provided pursuant to subsection (a) of this section to be an
199 amount required, along with other assets of the fund as
200 necessary to reach a funded level of one hundred percent in
201 thirty-five years from the time of adoption of the conserva-
202 tion financing method. The variable percentage shall be
203 calculated using a prospective four-year rolling average.

204 (3) Upon adoption of the conservation method of finance,
205 the municipality shall close its pension and relief funds to
206 new members and shall place police officers and firefighters
207 newly hired after adoption of the conservation method into

208 the Municipal Police Officers and Firefighters Retirement
209 System created in article twenty-two-a of this chapter.

210 (4) Upon adoption of the conservation method of financing,
211 the minimum standard for annual municipality contributions
212 to each policemen's or firemen's pension and relief fund shall
213 be an amount which, together with member contributions
214 and premium tax proceeds not required to be retained in the
215 trust pursuant to this subsection, and other income sources
216 as authorized by law, is sufficient to meet the annual benefit
217 and administrative expense payments from the funds on a
218 pay-as-you-go basis: *Provided:* That at the time the actuarial
219 report required by this section indicates no actuarial defi-
220 ciency in the municipal policemen's or firemen's pension and
221 relief fund, the minimum annual required contribution of the
222 municipality may not be less than an amount which together
223 with all member contributions and other income authorized
224 by law, is sufficient to pay normal cost.

**ARTICLE 22A. WEST VIRGINIA MUNICIPAL POLICE OFFICERS
AND FIREFIGHTERS RETIREMENT SYSTEM.**

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

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

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

CHAPTER 33. INSURANCE.

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

14 (2) All moneys collected from this additional tax shall be
15 received by the commissioner and paid by him or her into a
16 special account in the State Treasury, designated the
17 Municipal Pensions and Protection Fund: *Provided*, That on
18 or after January 1, 2010, except as provided in subdivision

19 three of this subsection, the commissioner shall pay ten
20 percent of the amount collected to the Teachers Retirement
21 System Reserve Fund created in section eighteen, article
22 seven-a, chapter eighteen of this code, twenty-five percent of
23 the amount collected to the Fire Protection Fund created in
24 section thirty-three of this article for allocation by the
25 Treasurer to volunteer and part-volunteer fire companies
26 and departments and sixty-five percent of the amount
27 collected to the Municipal Pensions and Protection Fund:
28 *Provided, however,* That upon notification by the Municipal
29 Pensions Oversight Board pursuant to the provisions of
30 section eighteen-b, article twenty-two, chapter eight of this
31 code, on or after January 1, 2010, or as soon thereafter as the
32 Municipal Pensions Oversight Board is prepared to receive
33 the funds, sixty-five percent of the amount collected by the
34 commissioner shall be deposited in the Municipal Pensions
35 Security Fund created in section eighteen-b, article twenty-
36 two, chapter eight of this code. The net proceeds of this tax
37 after appropriation thereof by the Legislature is distributed
38 in accordance with the provisions of this section, except for
39 distribution from proceeds pursuant to subsection (d),

40 section eighteen-a, article twenty-two, chapter eight of this
41 code.

42 (3) Beginning July 1, 2011, five percent of the additional
43 premium tax and surplus lines tax previously authorized to
44 be paid to the Teachers Retirement System Reserve Fund
45 shall be paid to the Municipal Pensions Security Fund, to be
46 distributed to those municipal policemen's or firemen's
47 pension and relief funds which have closed their plans to
48 new members and adopted either the optional or conserva-
49 tion method of financing the pension and relief funds. The
50 money shall be retained as assets in the pension and relief
51 funds to reduce unfunded liabilities and not used to pay
52 normal costs. Allocation and distribution to the eligible
53 pension and relief funds shall be in accordance with subsec-
54 tion (c) of this section. Five percent of the additional pre-
55 mium tax and surplus lines tax previously authorized to be
56 paid to the Teachers Retirement System Reserve Fund shall
57 be paid to the Fire Protection Fund created in section thirty-
58 three of this article for allocation by the Treasurer to
59 volunteer and part-volunteer fire companies.

60 (b) (1) Before August 1 of each year, the treasurer of each
61 municipality in which a municipal policemen's or firemen's

62 pension and relief fund is established shall report to the
63 State Treasurer the average monthly number of members
64 who worked at least one hundred hours per month and the
65 average monthly number of retired members of municipal
66 policemen's or firemen's pension and relief fund or the
67 Municipal Police Officers and Firefighters Retirement
68 System during the preceding fiscal year: *Provided*, That
69 beginning in the year 2010 and continuing thereafter, the
70 report shall be made to the oversight board created in section
71 eighteen-a, article twenty-two, chapter eight of this code.
72 These reports received by the oversight board shall be
73 provided annually to the State Treasurer by September 1.

74 (2) Before September 1 of each calendar year, the State
75 Treasurer, or the Municipal Pensions Oversight Board, once
76 in operation, shall allocate and authorize for distribution the
77 revenues in the Municipal Pensions and Protection Fund
78 which were collected during the preceding calendar year for
79 the purposes set forth in this section. Before September 1 of
80 each calendar year and after the Municipal Pensions Over-
81 sight Board has notified the treasurer and commissioner
82 pursuant to section eighteen-b, article twenty-two, chapter
83 eight of this code, the Municipal Pensions Oversight Board

84 shall allocate and authorize for distribution the revenues in
85 the Municipal Pensions Security Fund which were collected
86 during the preceding calendar year for the purposes set forth
87 in this section. In any year the actuarial report required by
88 section twenty, article twenty-two, chapter eight of this code
89 indicates no actuarial deficiency in the municipal police-
90 men's or firemen's pension and relief fund, no revenues may
91 be allocated from the Municipal Pensions and Protection
92 Fund or the Municipal Pensions Security Fund to that fund.
93 The revenues from the Municipal Pensions and Protection
94 Fund shall then be allocated to all other pension and relief
95 funds which have an actuarial deficiency.

96 (3) The moneys, and the interest earned thereon, in the
97 Municipal Pensions and Protection Fund allocated to
98 volunteer and part-volunteer fire companies and depart-
99 ments shall be allocated and distributed quarterly to the
100 volunteer fire companies and departments. Before each
101 distribution date, the State Fire Marshal shall report to the
102 State Treasurer the names and addresses of all volunteer and
103 part-volunteer fire companies and departments within the
104 state which meet the eligibility requirements established in
105 section eight-a, article fifteen, chapter eight of this code.

106 (c)(1) Each municipal pension and relief fund shall have
107 allocated and authorized for distribution a pro rata share of
108 the revenues allocated to municipal policemen's and fire-
109 men's pension and relief funds based on the corresponding
110 municipality's average monthly number of police officers and
111 firefighters who worked at least one hundred hours per
112 month during the preceding fiscal year. On and after July 1,
113 1997, from the growth in any moneys collected pursuant to
114 the tax imposed by this section and interest thereon there
115 shall be allocated and authorized for distribution to each
116 municipal pension and relief fund, a pro rata share of the
117 revenues allocated to municipal policemen's and firemen's
118 pension and relief funds based on the corresponding munic-
119 ipality's average number of police officers and firefighters
120 who worked at least one hundred hours per month and
121 average monthly number of retired police officers and
122 firefighters. For the purposes of this subsection, the growth
123 in moneys collected from the tax collected pursuant to this
124 section is determined by subtracting the amount of the tax
125 collected during the fiscal year ending June 30, 1996, from
126 the tax collected during the fiscal year for which the alloca-
127 tion is being made and interest thereon. All moneys received

128 by municipal pension and relief funds under this section may
129 be expended only for those purposes described in sections
130 sixteen through twenty-eight, inclusive, article twenty-two,
131 chapter eight of this code.

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

135 (3) In addition to the share allocated and distributed in
136 accordance with subdivision (1) of this subsection, each
137 municipal fire department composed of full-time paid
138 members and volunteers and part-volunteer fire companies
139 and departments shall receive a share equal to the share
140 distributed to volunteer fire companies under subdivision (2)
141 of this subsection reduced by an amount equal to the share
142 multiplied by the ratio of the number of full-time paid fire
143 department members who are also members of a municipal
144 firemen's pension and relief fund or the Municipal Police
145 Officers and Firefighters Retirement System to the total
146 number of members of the fire department.

147 (d) The allocation and distribution of revenues provided for
148 in this section are subject to the provisions of section twenty,

149 article twenty-two, and sections eight-a and eight-b, article

150 fifteen, chapter eight of this code.