

WEST VIRGINIA LEGISLATURE
2016 FIRST EXTRAORDINARY SESSION

Introduced

House Bill 122

**FISCAL
NOTE**

BY DELEGATES MOFFATT, AZINGER, ROWE, BLACKWELL,

ZATEZALO, BUTLER AND FRICH

[Introduced June 14, 2016;

Referred to the Committee on Finance.]

1 A BILL to amend and reenact §33-3-33a of the Code of West Virginia, 1931, as amended, relating
 2 to reinstating the Volunteer Fire Department Workers' Compensation Premium Subsidy
 3 Fund and directing that certain moneys be deposited into the fund to finance the Volunteer
 4 Fire Department Workers' Compensation Subsidy Program.

Be it enacted by the Legislature of West Virginia:

1 That §33-3-33a of the Code of West Virginia, 1931, as amended, be amended and
 2 reenacted to read as follows:

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; other funding; special report from State Fire Marshal by December 15, 2015; termination of program June 30, 2016.

1 (a) There is hereby established a special fund in the State Treasury known as the
 2 "Volunteer Fire Department Workers' Compensation Premium Subsidy Fund." The fund shall be
 3 administered by the State Auditor and shall consist of moneys deposited in the fund pursuant to
 4 this section, any other funds appropriated by the Legislature for volunteer fire departments for the
 5 purposes of section fourteen-a, article four, chapter twelve of this code, and the interest or other
 6 earnings on the moneys in the fund. The State Auditor shall administer the distribution of moneys
 7 of the fund to volunteer fire departments to help defray workers' compensation insurance premium
 8 increases pursuant to section fourteen-a, article four, chapter twelve of this code. Balances in the
 9 fund at the end of any fiscal year shall not expire, but shall be expended for those purposes in
 10 ensuing fiscal years pursuant to appropriation of the Legislature.

11 ~~(b) Beginning July 1, 2013, and in each fiscal year thereafter until June 30, 2016, the~~
 12 ~~excess of the aggregate of amounts collected by the commissioner that are otherwise required~~
 13 ~~under any provision of this code to be deposited into the Fire Protection Fund over the aggregate~~
 14 ~~of those amounts deposited into the Fire Protection Fund during the fiscal year ending June 30,~~

15 ~~2013, shall be deposited into the Volunteer Fire Department Workers' Compensation Premium~~
16 ~~Subsidy Fund and expended solely for the purposes established in section fourteen-a, article four,~~
17 ~~chapter twelve of this code~~

18 (b) Beginning in the fiscal year commencing on July 1, 2017, and during the fiscal years
19 commencing on July 1, 2018, 2019, 2020 and 2021, \$2 million from the State General Fund shall
20 be appropriated annually to the Volunteer Fire Department Workers' Compensation Premium
21 Subsidy Fund, to be expended solely for the purposes established in section fourteen-a, article
22 four, chapter twelve of this code.

23 ~~(c) On or before August 1, 2013, the commissioner shall transfer \$4 million from the Fire~~
24 ~~Marshal Fees Fund created under section twelve-b, article three, chapter twenty-nine of this code~~
25 ~~to the Volunteer Fire Department Workers' Compensation Premium Subsidy Fund to be expended~~
26 ~~solely for the purposes established in section fourteen-a, article four, chapter twelve of this code~~
27 ~~until June 30, 2016.~~

28 ~~(d) The State Fire Marshal, in consultation with the Insurance Commissioner, the State~~
29 ~~Auditor, the Secretary of Revenue and the Legislative Auditor, shall conduct a review of the needs~~
30 ~~of each volunteer or part volunteer fire company or volunteer fire department serving in the various~~
31 ~~counties of the state. On or before December 31, 2015, the State Fire Marshal shall submit to the~~
32 ~~Joint Committee on Government and Finance a comprehensive report of the review and the State~~
33 ~~Fire Marshal's recommendations, substantiated by the findings of the review, of steps that may~~
34 ~~be taken to meet the needs of and sustain the volunteer and part volunteer fire companies and~~
35 ~~volunteer fire departments of this state, including, but not limited to, the following:~~

36 ~~(1) An assessment of all current funding received by the volunteer fire companies and~~
37 ~~departments, and a further assessment of the funding necessary to provide the community~~
38 ~~protections required for the areas served by the volunteer fire companies and departments, the~~
39 ~~extent to which those needs are being met, the extent to which they are not being met, and~~
40 ~~recommendations of sources of funds to meet additional needs and the amounts needed, if any;~~

41 ~~(2) An assessment of the cost of workers' compensation coverage for the volunteer fire~~
42 ~~companies and departments and recommendations for any actions that may be undertaken by~~
43 ~~the volunteer fire companies and departments and others to reduce those costs;~~

44 ~~(3) An assessment of the causes of any decline in recruitment and retention of volunteer~~
45 ~~firefighters and recommendations for improvements in this area, including any recommendations~~
46 ~~for incentives that have a demonstrated record of significant increases in recruitment and~~
47 ~~retention as well as recommendations of sources of funds to provide those incentives, if funds are~~
48 ~~necessary;~~

49 ~~(4) An assessment of the level of financial accountability that should be required of~~
50 ~~volunteer fire companies and departments in order to provide the Legislature the information~~
51 ~~necessary to target future funding for their activities based upon the safety and fire protection~~
52 ~~needs of the various areas of the state;~~

53 ~~(5) An assessment of the comparative levels of funding for volunteer fire companies and~~
54 ~~departments provided by counties, municipalities and other political subdivisions and the means~~
55 ~~by which that funding is provided, including identification of those which contribute little or no~~
56 ~~funding to the volunteer fire companies and departments within their jurisdictions, together with~~
57 ~~recommendations for increasing those levels of contributions;~~

58 ~~(6) An assessment of the comparative levels of funding for volunteer fire companies and~~
59 ~~departments provided by their own efforts, and the means by which that funding is provided,~~
60 ~~including identification of those which provide little or no funding through their own efforts, together~~
61 ~~with recommendations for increasing these sources of funding;~~

62 ~~(7) An assessment of the comparative economic and other benefits provided by the~~
63 ~~various volunteer fire companies and departments to their particular counties, municipalities and~~
64 ~~other political subdivisions, as well as to citizens of the local communities they serve;~~

65 ~~(8) An assessment of the sustainability of the current model of providing fire and other~~
66 ~~protections to the citizens of rural communities through volunteer fire companies and departments~~

67 ~~and an assessment of alternative models for providing those protections; and~~
68 ~~(9) Other assessments and recommendations which the State Fire Marshal deems~~
69 ~~appropriate in the circumstances.~~

70 ~~(d) Upon the conclusion of the fiscal year ending June 30, 2016, the provisions of this~~
71 ~~section and section fourteen-a, article four, chapter twelve of this code shall expire and be of no~~
72 ~~further force and effect and the Volunteer Fire Department Workers' Compensation Premium~~
73 ~~Subsidy Fund shall be closed. Upon closure of the fund, from any balances therein remaining,~~
74 ~~the State Auditor shall first, to the extent available, transfer to the Fire Protection Fund an amount~~
75 ~~equal to the aggregate of funds deposited into the Volunteer Fire Department Workers'~~
76 ~~Compensation Premium Subsidy Fund during the fiscal years ending June 30, 2014, 2015 and~~
77 ~~2016 pursuant to subsection (b) of this section that would otherwise have been required to be~~
78 ~~deposited into the Fire Protection Fund, and any balances thereafter remaining in the Volunteer~~
79 ~~Fire Department Workers' Compensation Premium Subsidy Fund shall expire to the General~~
80 ~~Revenue Fund of the state.~~

NOTE: The purpose of this bill is to reinstate the Volunteer Fire Department Workers' Compensation Premium Subsidy Fund and direct that certain moneys be deposited into the fund to finance the Volunteer Fire Department Workers' Compensation Subsidy Program.

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