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HOUSE BILL NO. 1239

Offered January 19, 2016

A BILL to amend and reenact § 38.2-401 of the Code of Virginia, relating to the Fire Programs Fund; rate of assessment.

Patrons—Wright, Kilgore and Tyler

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That § 38.2-401 of the Code of Virginia is amended and reenacted as follows:

§ 38.2-401. Fire Programs Fund.

A. 1. There is hereby established in the state treasury a special nonreverting fund to be known as the Fire Programs Fund, hereinafter referred to as "the Fund." The Fund shall be administered by the Department of Fire Programs under policies and definitions established by the Virginia Fire Services Board. All moneys collected pursuant to the assessment made by the Commission pursuant to subdivision 2 of this subsection shall be paid into the state treasury and credited to the Fund. The Fund shall also consist of any moneys appropriated thereto by the General Assembly and any grants or other moneys received by the Virginia Fire Services Board or Department of Fire Programs for the purposes set forth in this section. Any moneys deposited to or remaining in such Fund during or at the end of each fiscal year or biennium, including interest thereon, shall not revert to the general fund but shall remain in the Fund. Interest earned on all moneys in the Fund and interest earned on moneys held by the Commission pursuant to subdivision 2 of this subsection prior to the deposit of such moneys into the Fund, including interest earned on such moneys during any period when the Commission is reconciling payments from insurers, shall remain in or be deposited into the Fund, as the case may be, and be credited to it. Such interest shall be set aside for fire service purposes in accordance with policies developed by the Virginia Fire Services Board. Notwithstanding any other provision of law to the contrary, policies established by the Virginia Fire Services Board for the administration of the Fund, and any grants provided from the Fund, that are not inconsistent with the purposes set out in this section shall be binding upon any locality that accepts such funds or related grants. The Commission shall be reimbursed from the Fund for all expenses necessary for the administration of this section. The balance of moneys in the Fund shall be allocated periodically as provided in this section. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Executive Director of the Department of Fire Programs (Director) or his designee.

2. The Commission shall annually assess against all licensed insurance companies doing business in the Commonwealth by writing any type of insurance as defined in §§ 38.2-110, 38.2-111, 38.2-126, 38.2-130 and 38.2-131 and those combination policies as defined in § 38.2-1921 that contain insurance as defined in §§ 38.2-110, 38.2-111 and 38.2-126, an assessment in the amount of ~~one~~ *1.4* percent of the total direct gross premium income for such insurance. Such assessment shall be apportioned, assessed and paid as prescribed by § 38.2-403. In any year in which a company has no direct gross premium income or in which its direct gross premium income is insufficient to produce at the rate of assessment prescribed by law an amount equal to or in excess of $100, there shall be so apportioned and assessed against such company a contribution of $100.

B. After reserving funds for the Fire Services Grant Program and Dry Fire Hydrant Grant Program pursuant to subsection D, 75 percent of the remaining moneys available for allocation from the Fund shall be allocated to the several counties, cities and towns of the Commonwealth providing fire service operations to be used for the improvement of volunteer and career fire services in each of the receiving localities. Funds allocated to the counties, cities and towns pursuant to this subsection shall not be used directly or indirectly to supplant or replace any other funds appropriated by the counties, cities and towns for fire service operations. Such funds shall be used solely for the purposes of training volunteer or career firefighting personnel in each of the receiving localities; funding fire prevention and public safety education programs; constructing, improving and expanding regional or local fire service training facilities; purchasing emergency medical care and equipment for fire personnel; payment of personnel costs related to fire and medical training for fire personnel; or for purchasing personal protective equipment, vehicles, equipment and supplies for use in the receiving locality specifically for fire service purposes. Notwithstanding any other provision of the Code, when localities use such funds to construct, improve or expand fire service training facilities, fire-related training provided at such training facilities shall be by instructors certified or approved according to policies developed by the Virginia Fire

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Services Board. Distribution of this 75 percent of the Fund shall be made on the basis of population as provided for in §§ 4.1-116 and 4.1-117; however, no county or city eligible for such funds shall receive less than $10,000, nor eligible town less than $4,000. The Virginia Fire Services Board shall be authorized to exceed allocations of $10,000 for eligible counties and cities and $4,000 for eligible towns, respectively. Allocations to counties, cities, and towns receiving such allocations shall be fair and equitable as set forth in Board policy. Any increases or decreases in such allocations shall be uniform for all localities. In order to remain eligible for such funds, each receiving locality shall report annually to the Department on the use of the funds allocated to it for the previous year and shall provide a completed Fire Programs Fund Disbursement Agreement form. Each receiving locality shall be responsible for certifying the proper use of the funds. If, at the end of any annual reporting period, a satisfactory report and a completed agreement form have not been submitted by a receiving locality, any funds due to that locality for the next year shall not be retained. Such funds shall be added to the 75 percent of the Fund allocated to the counties, cities, and towns of the Commonwealth for improvement of fire services in localities.

C. The remainder of the moneys available for allocation from the Fund shall be used for (i) the purposes of carrying out the powers and duties assigned to the Department of Fire Programs under Chapter 2 (§ 9.1-200) of Title 9.1, which shall include providing funded training and administrative support services for nonfunded training to localities and (ii) the payment of the compensation and costs of expenses of the members of the Fire Services Board in performing their official duties; however, the Fund shall not be used for salaries or operating expenses associated with the Office of the State Fire Marshal.

D. The Fire Services Grant Program is hereby established and will be used as grants to provide regional fire services training facilities, to finance the Virginia Fire Incident Reporting System and to build or repair burn buildings as determined by the Virginia Fire Services Board. Beginning January 1, 1996, $1 million from the assessments made pursuant to this section shall be distributed each year for the Fire Services Grant Program to be used as herein provided, and $100,000 shall be distributed annually for continuing the statewide Dry Fire Hydrant Grant Program. Moneys allocated pursuant to this subsection shall be used for the purposes stated in this subsection, and for no other purpose. All grants provided from these programs shall be administered by the Department according to the policies established by the Virginia Fire Services Board.

E. Moneys in the Fund shall not be diverted or expended for any purpose not authorized by this section.

F. The Director shall establish written standards for determining the extent to which clients outside the Commonwealth shall be financially responsible for the cost of fire and emergency services training provided by the Department of Fire Programs. Revenues generated by such training shall be retained in the Fire Programs Fund and may be used solely for providing additional funded direct training to members of Virginia's fire and emergency services.