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HOUSE BILL NO. 2650

Offered January 20, 1997

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

Patrons—Barlow and Davies; Senators: Quayle, Whipple and Williams

Referred to Committee on Corporations, Insurance and Banking

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. There is hereby established a Fire Programs Fund which shall be administered by the Department of Fire Programs under policies established by the Virginia Fire Services Board. In order to maintain the Fund, the Commission shall annually assess against all licensed insurance companies doing business in this 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 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. The Commission shall be reimbursed from the Fund for all expenses necessary for the administration of this section.

B. Seventy-five percent of the total amount collected annually pursuant to this section 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 salaried 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 fire service training, constructing, improving and expanding regional or local fire service training facilities, purchasing fire-fighting equipment or purchasing protective clothing and protective equipment for fire-fighting personnel. Notwithstanding any other provision of the Code, when localities use such funds to construct, improve or expand local fire service training facilities, all fire-related training provided at such training facilities shall be by instructors certified and approved according to regulations developed by the Department of Fire Programs and approved by the Virginia Fire Services Board. Distribution of this seventy-five 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.

C. The remainder of this Fund shall be used for the purposes of underwriting the costs of the operation of the Department of Fire Programs. *Notwithstanding any provisions of the general appropriation act, moneys in the Fund shall not be diverted or expended for any purpose not authorized by this section, unless authorized by a specific act of Assembly.*

INTRODUCED

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