



# HOUSE BILL 190: Local Firefighter Relief Fund Eligibility.

2017-2018 General Assembly

<b>Committee:</b>	Senate Rules and Operations of the Senate	<b>Date:</b>	June 27, 2017
<b>Introduced by:</b>	Reps. Hurley, Warren	<b>Prepared by:</b>	Theresa Matula Committee Staff
<b>Analysis of:</b>	First Edition		

**OVERVIEW:** *House Bill 190 would: 1)remove the requirement that a firefighter serve for at least five years before being eligible to receive financial assistance from a local Firefighters' Relief Fund; 2) require the North Carolina State Firefighters' Association to certify to the Department of Insurance a listing of local board of trustee members, including the chairman and treasurer; and 3)r require fire chiefs in certain districts to file a certificate of eligibility with the North Carolina State Firefighters' Association by January 31 or forfeit payment to that district's fund. The bill does not change the amount of funds allotted to any local Firefighters' Relief Fund it would become effective July 1, 2017, and apply to distributions to local Firefighters' Relief Funds on or after that date.*

**CURRENT LAW:** North Carolina charges a tax on gross premiums of certain insurers and medical service corporations.<sup>1</sup> Twenty percent (20%) of the net proceeds from this tax are credited to the Department of Insurance ("DOI") for disbursement to local Firefighters' Relief Funds. DOI allocates an amount to each county based on the amount allocated in the previous year.<sup>2</sup> DOI distributes the county's allocated amount among the fire districts in that county based on the tax value of the property located in the fire district. The money must be held by the fire district in a separate and distinct fund. The amount in that fund cannot exceed the product of \$2,500 multiplied by the number of members on the fire department's roster as of January 1. If the fund exceeds this amount, then its allocated amount is distributed to other fire districts, first to those in the same county, then to other counties.

The clerk or finance officer of each city or county that has a board of trustees for its local relief fund, or fire chief if authorized, must file a certificate of eligibility with DOI to receive a disbursement or else forfeit the payment to the North Carolina State Firefighters' Association. The local board of trustees must also file a certification to the North Carolina State Firefighters' Association regarding the local fund balance, proof of bonding, and a full accounting of the previous year's expenditures and membership qualifications. Both certifications must be filed by October 31. The fund's board of trustees controls the funds and may only make a distribution under specific statutory circumstances, one of which is to provide financial assistance to a destitute member firefighter. To receive a disbursement, a destitute member firefighter must serve honorably for at least five years.

**BILL ANALYSIS:** House Bill 190 would do the following:

- **Section 1** would remove the requirement that a destitute member firefighter have to serve at least five years before being eligible for a distribution from the local Firefighters' Relief Fund. This would allow for firefighters who have served, or are serving, honorably for any period of time to be eligible for a distribution from the local relief fund.

<sup>1</sup> G.S. 105-228.5.

<sup>2</sup> Article 84 of Chapter 58 of the General Statutes.

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Director



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- **Sections 2(a), 2(b) and 3** would require the fire chief of each city or county with a local board of trustees to file a certificate of eligibility with the North Carolina State Firefighters' Association (previously DOI) or else forfeit its payment to the Association. The North Carolina State Firefighters' Association would be required to certify to DOI a listing of the current members of the board of trustees of the local Firefighters' Relief Fund, including the chairman and treasurer, by January 1 of each year. These requirements simplify and streamline the certification process by allowing the local fire district to file the certificate of eligibility and the certification of fund balance, proof of bonding and full accounting with the North Carolina State Firefighters' Association, who will in turn file a certification with DOI. DOI would be required to maintain a database of the certifications.

**EFFECTIVE DATE:** This act becomes effective July 1, 2017, and applies to distributions to local Firefighters' Relief Funds on or after that date.

**BACKGROUND:** For 2016, DOI allocated roughly \$7.2 million to local Firefighters' Relief Funds throughout North Carolina.

*\*Nicholas Giddings, staff to H. State and Local Government, substantially contributed to this summary.*