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INTRODUCED

HB394

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4 **HOUSE BILL NO. 394**
5 Offered January 14, 2026
6 Prefiled January 12, 2026
7 *A BILL to amend and reenact § 38.2-401, as it is currently effective and as it shall become effective, of the*
8 *Code of Virginia, relating to Fire Programs Fund; assessment.*

9 Patron—Askew

10 Committee Referral Pending

11 **Be it enacted by the General Assembly of Virginia:**

12 **1. That § 38.2-401, as it is currently effective and as it shall become effective, of the Code of Virginia is
13 amended and reenacted as follows:**

14 **§ 38.2-401. (Effective until July 1, 2026) Fire Programs Fund.**

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

36 2. The Commission shall annually assess against all licensed insurance companies doing business in the
37 Commonwealth by writing any type of insurance as defined in §§ 38.2-110, 38.2-111, 38.2-126, 38.2-130 and
38 38.2-131 and those combination policies as defined in § 38.2-1921 that contain insurance as defined in
39 §§ 38.2-110, 38.2-111 and 38.2-126, an assessment in the amount of (i) *before July 1, 2026*, one percent of
40 the total direct gross premium income for such insurance; (ii) *on and after July 1, 2026, but before July 1,*
41 *2027, 1.5 percent of the total direct gross premium income for such insurance; and (iii) on and after July 1,*
42 *2027, two percent of the total direct gross premium income for such insurance.* Such assessment shall be
43 apportioned, assessed and paid as prescribed by § 38.2-403. In any year in which a company has no direct
44 gross premium income or in which its direct gross premium income is insufficient to produce at the rate of
45 assessment prescribed by law an amount equal to or in excess of \$100, there shall be so apportioned and
46 assessed against such company a contribution of \$100.

47 B. After reserving funds for the Fire Services Grant Program and Dry Fire Hydrant Grant Program
48 pursuant to subsection D, 75 percent of the remaining moneys available for allocation from the Fund shall be
49 allocated to the several counties, cities, and towns of the Commonwealth providing fire service operations to
50 be used for the improvement of volunteer and career fire services in each of the receiving localities. Funds
51 allocated to the counties, cities, and towns pursuant to this subsection shall not be used directly or indirectly
52 to supplant or replace any other funds appropriated by the counties, cities, and towns for fire service
53 operations. Such funds shall be used solely for the purposes of (i) training volunteer or career firefighting
54 personnel in each of the receiving localities; (ii) funding fire prevention and public safety education
55 programs; (iii) constructing, improving, and expanding regional or local fire service training facilities; (iv)
56 purchasing emergency medical care and equipment for fire personnel; (v) payment of personnel costs related
57 to fire and medical training for fire personnel; (vi) purchasing personal protective equipment, vehicles,
58 equipment, and supplies for use in the receiving locality specifically for fire service purposes; or (vii)

59 providing training and education and purchasing products, including personal protective equipment, diesel
60 exhaust removal systems, decontamination equipment, and commercial extractors, that are designed to reduce
61 the incidence of cancer among firefighters. Notwithstanding any other provision of the Code, when localities
62 use such funds to construct, improve, or expand fire service training facilities, fire-related training provided at
63 such training facilities shall be by instructors certified or approved according to policies developed by the
64 Virginia Fire Services Board. Distribution of this 75 percent of the Fund shall be made on the basis of
65 population as provided for in §§ 4.1-116 and 4.1-117; however, no county or city eligible for such funds shall
66 receive less than \$10,000, nor eligible town less than \$4,000. The Virginia Fire Services Board shall be
67 authorized to exceed allocations of \$10,000 for eligible counties and cities and \$4,000 for eligible towns,
68 respectively. Allocations to counties, cities, and towns receiving such allocations shall be fair and equitable
69 as set forth in Board policy. Any increases or decreases in such allocations shall be uniform for all localities.
70 In order to remain eligible for such funds, each receiving locality shall report annually to the Department on
71 the use of the funds allocated to it for the previous year and shall provide a completed Fire Programs Fund
72 Disbursement Agreement form. Each receiving locality shall be responsible for certifying the proper use of
73 the funds. If, at the end of any annual reporting period, a satisfactory report and a completed agreement form
74 have not been submitted by a receiving locality, any funds due to that locality for the next year shall not be
75 retained. Such funds shall be added to the 75 percent of the Fund allocated to the counties, cities, and towns
76 of the Commonwealth for improvement of fire services in localities.

77 C. The remainder of the moneys available for allocation from the Fund shall be used for (i) the purposes
78 of carrying out the powers and duties assigned to the Department of Fire Programs under Chapter 2
79 (§ 9.1-200) of Title 9.1, which shall include providing funded training and administrative support services for
80 nonfunded training to localities and (ii) the payment of the compensation and costs of expenses of the
81 members of the Fire Services Board in performing their official duties; however, the Fund shall not be used
82 for salaries or operating expenses associated with the Office of the State Fire Marshal.

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

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

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

97 **§ 38.2-401. (Effective July 1, 2026) Fire Programs Fund.**

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110 Fund, as the case may be, and be credited to it. Such interest shall be set aside for fire service purposes in
111 accordance with policies developed by the Virginia Fire Services Board. Notwithstanding any other provision
112 of law to the contrary, policies established by the Virginia Fire Services Board for the administration of the
113 Fund, and any grants provided from the Fund, that are not inconsistent with the purposes set out in this
114 section shall be binding upon any locality that accepts such funds or related grants. The Commission shall be
115 reimbursed from the Fund for all expenses necessary for the administration of this section. The balance of
116 moneys in the Fund shall be allocated periodically as provided in this section. Expenditures and
117 disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller
118 upon written request signed by the Executive Director of the Department of Fire Programs (Director) or his
119 designee.

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121 Commonwealth by writing any type of insurance as defined in §§ 38.2-110, 38.2-111, 38.2-126, 38.2-130 and
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 126 *2027, two percent of the total direct gross premium income for such insurance.* Such assessment shall be
 127 apportioned, assessed and paid as prescribed by § 38.2-403. In any year in which a company has no direct
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 136 to supplant or replace any other funds appropriated by the counties, cities, and towns for fire service
 137 operations. Such funds shall be used solely for the purposes of (i) training volunteer or career firefighting
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 139 programs; (iii) constructing, improving, and expanding regional or local fire service training facilities; (iv)
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 141 to fire and medical training for fire personnel; (vi) purchasing personal protective equipment, vehicles,
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 149 population as provided for in §§ 4.1-116 and 4.1-117; however, no county or city eligible for such funds shall
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 151 authorized to exceed allocations of \$10,000 for eligible counties and cities and \$4,000 for eligible towns,
 152 respectively. Allocations to counties, cities, and towns receiving such allocations shall be fair and equitable
 153 as set forth in Board policy. Any increases or decreases in such allocations shall be uniform for all localities.
 154 In order to remain eligible for such funds, each receiving locality shall report annually to the Department on
 155 the use of the funds allocated to it for the previous year, shall provide a completed Fire Programs Fund
 156 Disbursement Agreement form, and shall report, in accordance with the requirements set by the Virginia Fire
 157 Services Board, all emergency incidents through the National Emergency Response Information System
 158 (NERIS) while sharing such emergency incident data with the Department of Fire Programs in its capacity as
 159 state manager of NERIS. Each receiving locality shall be responsible for certifying the proper use of the
 160 funds. If, at the end of any annual reporting period, a satisfactory report and a completed agreement form
 161 have not been submitted by a receiving locality, any funds due to that locality for the next year shall not be
 162 retained. Such funds shall be added to the 75 percent of the Fund allocated to the counties, cities, and towns
 163 of the Commonwealth for improvement of fire services in localities.

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 165 of carrying out the powers and duties assigned to the Department of Fire Programs under Chapter 2
 166 (§ 9.1-200) of Title 9.1, which shall include providing funded training and administrative support services for
 167 nonfunded training to localities and (ii) the payment of the compensation and costs of expenses of the
 168 members of the Virginia Fire Services Board in performing their official duties; however, the Fund shall not
 169 be used for salaries or operating expenses associated with the Office of the State Fire Marshal.

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 171 fire services training facilities, to finance the Virginia Fire Incident Reporting System and to build or repair
 172 live fire training structures as determined by the Virginia Fire Services Board. Beginning January 1, 1996, \$1
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 176 purposes stated in this subsection, and for no other purpose. All grants provided from these programs shall be
 177 administered by the Department according to the policies established by the Virginia Fire Services Board.

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