

Article 87.

Volunteer Safety Workers Assistance.

**§ 58-87-1. Volunteer Fire Department Fund.**

(a) Fund. – The Volunteer Fire Department Fund is created as an interest-bearing, nonreverting fund in the Department to provide grants to volunteer fire departments to purchase equipment and make capital improvements. The State Fire Marshal shall administer the Fund. Up to one percent (1%) of the Fund may be used for additional staff and resources to administer the Fund in each fiscal year.

(a1) Grant Program. – An eligible fire department may apply to the State Fire Marshal for a grant under this section. In awarding grants under this section, the State Fire Marshal must, to the extent possible, select applicants from all parts of the State based upon need. The State Fire Marshal must award the grants on May 15, or on the first business day after May 15 if May 15 falls on a weekend or a holiday, of each year subject to the following limitations:

- (1) **(Expires June 30, 2025 – see note)** The size of a grant may not exceed forty thousand dollars (\$40,000).
- (2) Repealed by Session Laws 2021-178, s. 2, effective December 1, 2021.
- (2a) The applicant shall match the grant as follows:
  - a. Applicants receiving less than or equal to fifty thousand dollars (\$50,000) per year from municipal and county funding are not required to match the grant funding.
  - b. Applicants receiving more than fifty thousand dollars (\$50,000) but less than or equal to seventy-five thousand dollars (\$75,000) per year from municipal and county funding shall match one dollar (\$1.00) for each three dollars (\$3.00) of grant funds.
  - c. Applicants receiving more than seventy-five thousand dollars (\$75,000) per year from municipal and county funding shall match the grant on a dollar-for-dollar basis.
- (3) The grant may be used only for equipment purchases, payment of highway use taxes on those purchases, costs of putting property acquired from the Department of Defense through the Firefighter Property (FFP) and federal Excess Property (FEPP) programs in service, or capital expenditures necessary to provide fire protection services.
- (4) An applicant may receive no more than one grant per fiscal year.

(b) Eligible Fire Department. – A fire department is eligible for a grant under this section if it meets all of the conditions of this subsection. No fire department may be declared ineligible for a grant solely because it is classified as a municipal fire department. The required conditions are:

- (1) Repealed by Session Laws 2016-78, s. 2.1(a), effective June 30, 2016.
- (2) It consists entirely of volunteer members, with the exception that the unit may have paid members to fill the equivalent of eight full-time paid positions. For purposes of this subdivision, a "full-time paid position" is equivalent to 2,080 hours in a fiscal year.
- (3) It has been certified by the Office of the State Fire Marshal.

(c) Report. – The State Fire Marshal must submit a written report to the Joint Legislative Oversight Committee on General Government and the Fiscal Research Division within 60 days after the grants have been made. This report must contain the following:

- (1) The amount of the grant and the name of the recipient.

- (2) The Fund balance at the beginning of the grant cycle.
- (3) Cash receipts through the previous grant cycle.
- (4) Cash disbursements through the previous grant cycle.
- (5) The Fund balance at the beginning and end of the previous grant cycle.

(d) Repealed by Session Laws 2022-74, s. 30.1, effective July 1, 2022. (1987, c. 709, s. 1; 1987 (Reg. Sess., 1988), c. 1062, ss. 6-9; 1989, c. 770, s. 30; 1995, c. 507, s. 7.21A(k); 1998-212, s. 25(a); 1999-319, s. 1; 2004-203, s. 5(c); 2006-196, s. 8; 2007-250, s. 3; 2013-360, s. 20.2(b); 2014-64, s. 4(a), (b); 2016-78, s. 2.1(a); 2021-178, s. 2; 2021-180, s. 37.7(d); 2022-74, s. 30.1; 2023-134, s. 30.2(a), (b); 2023-151, s. 11.46(a), (b).)

**§ 58-87-5. Volunteer Rescue/EMS Fund.**

(a) There is created in the Department of Insurance the Volunteer Rescue/EMS Fund to provide grants to volunteer rescue units, rescue/EMS units, EMS units that are volunteer fire departments that are a part of a county's EMS system plan, and EMS units providing rescue or rescue and emergency medical services to purchase equipment and make capital improvements. An eligible unit may apply to the Office of the State Fire Marshal for a grant under this section. The application form and criteria for grants shall be established by the Office of the State Fire Marshal. The North Carolina Association of Rescue and Emergency Medical Services, Inc., shall provide the Office of the State Fire Marshal with an advisory priority listing for rescue equipment eligible for funding, and the Department of Health and Human Services shall provide the Office of the State Fire Marshal with an advisory priority listing of EMS equipment eligible for funding. The State Treasurer shall invest the Fund's assets according to law, and the earnings shall remain in the Fund. On December 15, or on the first business day after December 15 if December 15 falls on a weekend or a holiday, of each year, the Office of the State Fire Marshal shall make grants to eligible units subject to all of the following limitations:

- (1) A grant to an applicant who is required to match the grant with non-State funds may not exceed twenty-five thousand dollars (\$25,000), and a grant to an applicant who is not required to match the grant with non-State funds may not exceed three thousand dollars (\$3,000).
- (2) An applicant whose liquid assets, when combined with the liquid assets of any corporate affiliate or subsidiary of the applicant, are more than one thousand dollars (\$1,000) shall match the grant on a dollar-for-dollar basis with non-State funds.
- (3) The grant may be used only for equipment purchases or capital expenditures.
- (4) An applicant may receive no more than one grant per fiscal year.
- (5) The grant may be used only for purposes related to services that the unit is authorized to provide.

In awarding grants under this section, the Office of the State Fire Marshal shall to the extent possible select applicants from all parts of the State based upon need. Up to two percent (2%) of the Fund may be used for additional staff and resources to administer the Fund in each fiscal year. In addition, notwithstanding G.S. 58-78-20, up to four percent (4%) of the Fund may be used for additional staff and resources for the North Carolina Fire and Rescue Commission.

- (b) A unit is eligible for a grant under this section if it meets all of the following conditions:
  - (1) Repealed by Session Laws 1989 (Regular Session, 1990), c. 1066, s. 33(a).
  - (2) It consists entirely of volunteer members, with the exception that the unit may have paid members to fill the equivalent of 10 full-time paid positions.

- (3) It has been recognized by the Office of the State Fire Marshal as a rescue unit, a rescue/EMS unit, or an EMS unit.
- (4) It satisfies the eligibility criteria established by the Office of the State Fire Marshal under subsection (a) of this section.

(c) For the purpose of this section and Article 88 of this Chapter, "rescue" means the removal of individuals facing external, nonmedical, and nonpatient related peril to areas of relative safety. A "rescue unit" or "rescue squad" means a group of individuals who are not necessarily trained in emergency medical services, fire fighting, or law enforcement, but who expose themselves to an external, nonmedical, and nonpatient related peril to effect the removal of individuals facing the same type of peril to areas of relative safety. The unit or squad must comply with existing State statutes and with eligibility criteria established by the North Carolina Association of Rescue and Emergency Medical Services, Inc.

(d) For the purposes of this section, "emergency medical services" or "EMS" has the same meaning as in G.S. 131E-155(6). Unless otherwise more narrowly specified, an "EMS unit" means either (i) an EMS provider licensed under G.S. 131E-155.1 or (ii) a volunteer fire or fire/rescue department that is part of its county's EMS system plan. The unit or squad must comply with existing State statutes and with eligibility criteria established by the North Carolina Association of Rescue and Emergency Medical Services, Inc.

(e) Report. – The State Fire Marshal must submit a written report to the Joint Legislative Oversight Committee on General Government and the Fiscal Research Division within 60 days after the grants have been made. This report must contain the following:

- (1) The amount of the grant and the name of the recipient.
- (2) The Fund balance at the beginning of the grant cycle.
- (3) Cash receipts through the grant cycle.
- (4) Cash disbursements through the grant cycle.
- (5) The Fund balance at the end of the grant cycle. (1987 (Reg. Sess., 1988), c. 1062, s. 2; 1989, c. 115; c. 534, s. 2; 1989 (Reg. Sess., 1990), c. 1066, s. 33(a); 1991 (Reg. Sess., 1992), c. 943, s. 2; 1995, c. 507, s. 7.21A(1); 1997-443, s. 11A.20; 1998-212, s. 25(b); 1999-319, s. 2; 2005-283, s. 1; 2014-64, s. 4(c); 2016-78, s. 2.1(b); 2021-180, s. 37.7(e); 2023-151, s. 11.47.)

#### **§ 58-87-7. Oversight and accountability of grant awards.**

(a) Examination of Purchased Equipment and Supplies. – To increase accountability and to expedite receipt of certain grant awards, notwithstanding any other provision, the Office of the State Fire Marshal and other employees of the Department of Insurance, if those employees are requested to do so by the State Fire Marshal, may in their discretion conduct on-site examinations of fire, rescue, and EMS equipment and supplies purchased with funds awarded from either the Volunteer Fire Department Fund or the Volunteer Rescue/EMS Fund for up to five years from the date of the grant award. The on-site examinations may include the inspection of equipment purchased from prior grants and may be conducted prior to or simultaneous with the delivery of the grant awards. The on-site examination shall document what equipment and supplies have been purchased by the volunteer fire department or volunteer rescue/EMS department and whether those items were received by the department and visually reviewed by the on-site examiner. Items that have already been distributed or put in the field shall be noted by the on-site examiner. The Office of the State Fire Marshal shall maintain records of on-site inspections and provide reports of such inspections, upon request, to the State Auditor or the Office of State Budget and Management.

(b) Reimbursement to Funds. – If equipment purchased with grant funds is disposed of within five years of the date of the grant award funding its purchase, then the grant recipient shall reimburse the appropriate fund the amount of matching funds used for the purchase of the equipment, less depreciation.

(c) Transfer of Purchased Equipment. – If a grant recipient shall cease to exist within five years of the date of award of the grant, it shall transfer, subject to the approval of the State Fire Marshal, any and all equipment purchased with such grant funds to whichever department shall assume responsibility for providing service to the grant recipient's area of service or to another appropriate department that may effectively use the equipment. (2010-22, s. 11; 2014-64, s. 4(d); 2023-151, s. 11.48.)

**§ 58-87-10. Workers' Compensation Fund for the benefit of certain safety workers.**

(a) Definitions. – As used in this section, the following terms apply:

(1) Eligible entity. – One of the following entities that support eligible units and members of eligible units:

- a. North Carolina State Firefighters' Association.
- b. The North Carolina Association of Fire Chiefs, Incorporated.
- c. North Carolina Association of Rescue and Emergency Medical Services, Inc.

(2) Eligible unit. – A fire department or rescue/EMS unit that (i) is not part of a unit of local government and (ii) is exempt from State income tax under G.S. 105-130.11.

(b) Creation. – The Workers' Compensation Fund is created in the Department of Insurance as an expendable trust fund. Accordingly, interest and other investment income earned by the Fund accrues to it, and revenue in the Fund at the end of a fiscal year remains in the Fund and does not revert.

(c) Use. – Revenue in the Workers' Compensation Fund shall be used to provide workers' compensation benefits to (i) members of eligible units and (ii) the employees and volunteers of eligible entities. Chapter 97 of the General Statutes governs the payment of benefits from the Fund. Benefits are payable for compensable injuries or deaths that occur on or after July 1, 1996.

(d) Administration. – The Office of the State Fire Marshal shall administer the Workers' Compensation Fund and shall perform this duty by contracting with a third-party administrator. The contracting procedure is not subject to Article 3C of Chapter 143 of the General Statutes. The reasonable and necessary expenses incurred by the Office in administering the Fund shall be paid out of the Fund by the State Treasurer. The Office may adopt rules to implement this section. The Office shall include all provisions of Section 2(d) of S.L. 2014-64 in its contracts with the third-party administrator.

(e) Revenue Source. – Revenue is credited to the Workers' Compensation Fund from a portion of the proceeds of the tax levied under G.S. 105-228.5(d)(3). In addition, every eligible unit and eligible entity that elects to participate shall pay into the Fund an amount set annually by the Office of the State Fire Marshal, in consultation with the State Fire and Rescue Commission, to ensure that the Fund will be able to meet its payment obligations under this section. The amount shall be set as an amount for each member of the roster of the eligible unit or for each employee or volunteer of an eligible entity, and the amount may vary based on whether an individual is a volunteer, a part-time employee, or a full-time employee. The payment shall be made to the Office

on or before July 1 of each year. The Office shall remit the payments it receives to the State Treasurer, who shall credit the payments to the Fund.

(f) Funding Study. – The Office of the State Fire Marshal shall annually conduct an actuarial study that shall do all of the following:

- (1) Calculate the amount required to meet the needs of the Fund, projecting at least five years into the future.
- (2) Report on the nature of the claims paid by the Fund and any claims-related trends that impact the financial status of the Fund.
- (3) Calculate how much revenue from the State and from member premiums would be required to meet the needs of the Fund for each of the following scenarios:
  - a. **(Effective until July 1, 2025)** The Fund receives twenty percent (20%) of the net proceeds from the tax collected under G.S. 105-228.5(d)(3).
  - a. **(Effective July 1, 2025)** The Fund receives ten percent (10%) of the net proceeds from the tax collected under G.S. 105-228.5(d)(3).
  - b. Member premiums do not change from the prior year.
  - c. Member premiums fully fund the Fund without any State support.
- (4) Be published no later than February 1 of each year. Upon publishing the study, the Department shall notify the following of its publication:
  - a. The Office of State Budget and Management.
  - b. The House Appropriations Committee.
  - c. The Senate Appropriations/Base Budget Committee.
  - d. The Fiscal Research Division.

Additionally, beginning in 2016 and every five years thereafter, the study shall include (i) a comparison of Fund premium levels to the premium levels of employees of municipal fire and rescue departments and (ii) a calculation of the amount of revenue generated by experience-rating premium surcharges and, if necessary, recommend changes to experience-rating premium surcharges given claim trends. The Office may contract with a third party to conduct the study required under this section, and the cost of the study may be paid from the Fund. However, if the Office contracts with the same actuary that the Volunteer Safety Workers' Compensation Board contracts with to perform the study under this section, then the Office shall not pay the actuary for data collection and analysis that the actuary has already performed as part of its loss reserve analysis for the Board.

(g) **(Effective until July 1, 2025)** Allocation of Taxes. – On or before March 1 of each year, the Office of the State Fire Marshal must notify the Secretary of Revenue of the amount required to meet the needs of the Fund, as determined by the study conducted under subsection (f) of this section, for the upcoming fiscal year. The Secretary of Revenue shall remit that amount, subject to the twenty percent (20%) limitation in G.S. 105-228.5(d)(3), to the Fund.

(g) **(Effective July 1, 2025)** Allocation of Taxes. – The study conducted under subsection (f) of this section shall be reviewed by the Office of State Budget and Management. On or before March 1 of each year, the Office of State Budget and Management, in consultation with the Department of Insurance, must notify the Secretary of Revenue of the amount required to meet the needs of the Fund, as determined by the study, for the upcoming fiscal year. The Secretary of Revenue shall remit that amount, subject to the ten percent (10%) limitation in G.S. 105-228.5(d)(3), to the Fund.

(h) Reports. – The Office of the State Fire Marshal shall, on a quarterly basis, report to the State Fire and Rescue Commission on its activities conducted pursuant to this section. (1995, c.

507, s. 7.21A(a); 1999-132, s. 1.2; 2013-360, s. 20.2(d), (e); 2014-64, s. 2(a), (b), (d); 2016-51, s. 6; 2023-134, s. 30.3(a); 2023-151, s. 11.49(a); 2024-29, s. 10.3.)