

H. B. 2543

(BY DELEGATE(S) MR. SPEAKER, (MR. THOMPSON), BOGGS,
CAPUTO, SWARTZMILLER, WHITE, MILEY, M. POLING, MORGAN,
ARMSTEAD, LANE AND COWLES)

[Introduced February 19, 2013; referred to the
Committee on Finance.]

A BILL to amend and reenact §12-4-14a of the Code of West Virginia, 1931, as amended, relating to specifying that the subsidy provided to volunteer fire departments to offset certain workers' compensation premium increases apply to increases attributable to the fire fighting service, rapid response emergency medical service, ambulance service and diving service components of the services provided by volunteer fire departments.

Be it enacted by the Legislature of West Virginia:

That §12-4-14a of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 4. ACCOUNTS, REPORTS AND GENERAL PROVISIONS.

§12-4-14a. Workers' Compensation Subsidy for Volunteer Fire Departments; creation of program; Auditor to administer.

1 (a) For the purposes of this section:

2 (1) "Fiscal year" means the fiscal year of the state.

3 (2) "Individual base year premium" means the ~~workers'~~
4 ~~compensation insurance~~ individual premium that became due
5 and payable by a volunteer fire department after June 30, 2010,
6 but before July 1, 2011.

7 (3) "Individual premium" means the workers' compensation
8 insurance premium due and payable by a volunteer fire
9 department for fire fighting services, rapid response emergency
10 medical services, ambulance services or diving services provided
11 by the volunteer fire department in each twelve month period
12 beginning on or after July 1, 2011.

13 (4) "Total base year premium" means the aggregate workers'
14 compensation insurance premium due and payable by all
15 volunteer fire departments for fire fighting services, rapid
16 response emergency medical services, ambulance services or
17 diving services provided by the volunteer fire departments as

18 determined by the Insurance Commissioner after June 30, 2010,
19 but before July 1, 2011.

20 (5) "Total premium" means the aggregate workers'
21 compensation insurance premium due and payable by all
22 volunteer fire departments for fire fighting services, rapid
23 response emergency medical services, ambulance services or
24 diving services provided by the volunteer fire departments in
25 each twelve month period beginning on or after July 1, 2011.

26 (b) In recognition of the burden of increasing workers'
27 compensation insurance premiums on volunteer fire
28 departments, the Legislature has determined that additional
29 funding assistance should be made available to eligible
30 departments to pay a portion of those premium increases
31 beginning with invoices due and payable on or after July 1,
32 2011.

33 (c) There is hereby established a special program which shall
34 be known as the "Volunteer Fire Department Workers'
35 Compensation Subsidy Program". The program shall be
36 administered by the State Auditor from moneys that may be
37 appropriated and designated for the program by the Legislature.

38 (d) The State Auditor shall administer the distribution of
39 moneys appropriated for Volunteer Fire Department Workers'
40 Compensation Subsidy Program to volunteer fire departments to
41 help defray workers' compensation insurance premium
42 increases.

43 (1) Volunteer fire departments shall request supplemental
44 funds by submitting to the Auditor the following information:

45 (A) The previous fiscal year's workers' compensation
46 premium invoices with paid receipts;

47 (B) The current fiscal year's workers' compensation
48 premium invoices showing the amount due and due date and any
49 applicable paid receipts; and

50 (C) Any other information the Auditor deems necessary for
51 administering the subsidy on forms and schedules as the Auditor
52 directs. The Auditor is authorized to set up an electronic filing
53 system at his or her discretion for filing of the aforementioned
54 information.

55 (2) After determining that there is a premium increase and
56 the amount of the premium increase for the volunteer fire
57 department requesting the subsidy, the Auditor shall make

58 disbursements in the manner set forth in subsection (e) of this
59 section subject to the following requirements:

60 (A) The volunteer fire department must be in good standing
61 with the State Fire Marshal;

62 (B) The volunteer fire department must be registered with
63 the Auditor's Office in a form and manner prescribed by the
64 Auditor prior to being eligible for consideration of any subsidy,
65 which registration must be completed no fewer than thirty days
66 prior to the due date of the workers' compensation premium;

67 (C) The volunteer fire department must agree that the
68 subsidy for its workers' compensation insurance premium
69 increase will be paid directly to its insurance carrier by the
70 Auditor and that it will timely pay the balance of the premium
71 due; and

72 (D) Should a volunteer fire department fail to pay the
73 balance of its workers' compensation insurance premium after
74 a disbursement by the Auditor and that insurance policy is
75 subsequently cancelled, the premium paid by the Auditor shall
76 be returned directly to him or her. If the Auditor does not receive
77 a reimbursement for a cancelled policy, he or she shall seek

78 reimbursement for the subsidy portion of the insurance premium
79 from the State Treasurer when the Treasurer makes the next
80 quarterly payment to the volunteer fire department pursuant to
81 sections thirty-three and fourteen-d, article three, chapter thirty-
82 three of this code.

83 (e) Beginning with the fiscal year that starts July 1, 2011,
84 and continuing in each fiscal year thereafter, after the Auditor
85 has verified that a volunteer fire department is eligible for a
86 subsidy pursuant to this section, he or she shall pay on behalf of
87 a volunteer fire department its subsidy, which is calculated by:

88 (1) Dividing the total amount of premium subsidy allocated
89 by the Legislature to the Volunteer Fire Department Workers'
90 Compensation Subsidy Program by the total premium minus the
91 total base year premium, which calculation produces the "total
92 shortfall multiplier"; and

93 (2) Multiplying the total shortfall multiplier determined in
94 subdivision (1) of this subsection by the individual premium less
95 the individual base year premium.

96 (3) In no event shall a volunteer fire department receive a
97 workers' compensation premium subsidy greater than one
98 hundred percent of its premium increase.

99 (f) For fiscal years after July 1, 2011, the Auditor shall
100 consult with the Insurance Commissioner to determine the total
101 amount of workers' compensation premium due by volunteer
102 fire departments for any subsequent fiscal year. The Auditor may
103 determine payment dates based upon information reasonably
104 available for such a determination.

105 (g) The Auditor may promulgate emergency rules and may
106 propose for promulgation legislative rules, in accordance with
107 the provisions of article three, chapter twenty-nine-a of this code,
108 as are necessary to provide for implementation and enforcement
109 of the provisions of this section.

110 (h) The volunteer fire departments' workers' compensation
111 premium subsidy program shall undergo a review to assess its
112 effectiveness after three years of operation. The Auditor shall
113 submit a report to the Joint Committee on Government and
114 Finance not later than February 1, 2015, and provide details of
115 the program operation including funds distributed and
116 departments taking advantage of the subsidy.

NOTE: The purpose of the bill is to clarify that the subsidy provided to volunteer fire departments to offset their workers' compensation premium increases apply not only to the increases attributable to their fire fighting services, but apply as

well to increases attributable to the rapid response emergency medical service, ambulance service and diving service components of the services provided by the volunteer fire departments.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.