



1                   **Departments; creation of program; Auditor to**  
2                   **administer.**

3           (a) In recognition of the burden of increasing workers'  
4 compensation insurance premiums on volunteer fire departments, the  
5 Legislature has determined that additional funding assistance  
6 should be made available to eligible departments to pay a portion  
7 of those premium increases beginning with invoices due and payable  
8 on or after July 1, 2011.

9           (b) There is hereby established a special program which shall  
10 be known as the "Volunteer Fire Department Workers' Compensation  
11 Subsidy Program." The program shall be administered by the State  
12 Auditor from moneys that may be appropriated and designated for the  
13 program by the Legislature.

14           (c) The State Auditor shall administer the distribution of  
15 moneys appropriated for Volunteer Fire Department Workers'  
16 Compensation Subsidy Program to volunteer fire departments to help  
17 defray workers' compensation insurance premium increases.

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

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

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

1 (C) Any other information the Auditor may deem necessary for  
2 administering the subsidy on such forms and schedules as the  
3 Auditor may direct. The Auditor is authorized to set up an  
4 electronic filing system at the discretion of the Auditor for  
5 filing of the aforementioned information.

6 (D) For purposes of this section, "fiscal year" means the  
7 fiscal year of this state.

8 (2) After determining that there is a premium increase and the  
9 amount of the premium increase for the volunteer fire department  
10 requesting the subsidy, the Auditor shall make disbursements in the  
11 manner set forth in subsection (d) of this section subject to the  
12 following requirements:

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

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

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

24 (d) Beginning with the fiscal year that starts July 1, 2011,

1 and continuing in each fiscal year thereafter, after the Auditor  
2 has verified that a volunteer fire department is eligible for a  
3 subsidy pursuant to this section, he or she shall pay on behalf of  
4 a volunteer fire department its subsidy, which is calculated by:

5 (1) Dividing the total amount of premium subsidy allocated by  
6 the Legislature to the Volunteer Fire Department Workers'  
7 Compensation Subsidy Program by the total premium minus the total  
8 base year premium, which calculation produces the "total shortfall  
9 multiplier"; and

10 (2) Multiplying the total shortfall multiplier determined in  
11 subdivision (1) of this subsection by the individual premium less  
12 the individual base year premium.

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

16 (e) For fiscal years after the fiscal year beginning on July  
17 1, 2011, the Auditor shall consult with the Insurance Commissioner  
18 to determine the total amount of workers' compensation premium due  
19 by volunteer fire departments for any subsequent fiscal year. The  
20 Auditor may determine payment dates based upon information  
21 reasonably available for such a determination.

22 (f) For the purposes of this section:

23 (1) "Individual base year premium" means the workers'  
24 compensation insurance premium that became due and payable by a

1 volunteer fire department after June 30, 2010 but before July 1,  
2 2011.

3 (2) "Individual premium" means the workers' compensation  
4 premium due and payable by a volunteer fire department in each  
5 twelve month period beginning on or after July 1, 2011.

6 (3) "Total base year premium" means the aggregate workers'  
7 compensation insurance premium due and payable by all volunteer  
8 fire departments as determined by the Insurance Commissioner after  
9 June 30, 2010 but before July 1, 2011.

10 (4) "Total premium" means the aggregate workers' compensation  
11 insurance premium due and payable by all volunteer fire departments  
12 in each twelve month period beginning on or after July 1, 2011.

13 (g) The Auditor may promulgate emergency rules and may propose  
14 for promulgation legislative rules, in accordance with the  
15 provisions of article three, chapter twenty-nine-a of this code, as  
16 are necessary to provide for implementation and enforcement of the  
17 provisions of this section.

18 (h) The volunteer fire departments' workers' compensation  
19 premium subsidy program shall undergo a review to assess its  
20 effectiveness after three years of operation. The Auditor shall  
21 submit a report to the Legislature not later than February 1, 2015,  
22 and provide details of the program operation including funds  
23 distributed and departments taking advantage of the subsidy.

NOTE: The purpose of this bill is to provide a program for

distribution of a workers' compensation insurance premium subsidy to volunteer fire departments meeting the requirements for participation.

§12-4-14a is new; therefore, underscoring and strike-throughs have been omitted.