

COMMITTEE SUBSTITUTE

FOR

Senate Bill No. 553

(By Senators Unger, Palumbo, Prezioso, Stollings, Laird,
Jenkins, McCabe, Minard, Yost and Kessler (Acting President))

[Originating in the Committee on Finance;
reported February 25, 2011.]

A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section, designated §12-4-14a, relating to creating a workers' compensation insurance subsidy program for volunteer fire departments; defining terms; establishing a special program within the Auditor's Office; granting authority to the Auditor to administer the program; designating a funding formula for distribution of moneys allocated; granting rule-making authority to administer this section; and requiring report to the Legislature.

Be it enacted by the Legislature of West Virginia:

That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new section, designated §12-4-14a, 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 premium that became due and
5 payable by a volunteer fire department after June 30, 2010
6 but before July 1, 2011.

7 (3) "Individual premium" means the workers' compensa-
8 tion premium due and payable by a volunteer fire depart-
9 ment in each twelve month period beginning on or after July
10 1, 2011.

11 (4) "Total base year premium" means the aggregate
12 workers' compensation insurance premium due and payable
13 by all volunteer fire departments as determined by the
14 Insurance Commissioner after June 30, 2010 but before July
15 1, 2011.

16 (5) "Total premium" means the aggregate workers' com-
17 pensation insurance premium due and payable by all
18 volunteer fire departments in each twelve month period
19 beginning on or after July 1, 2011.

20 (b) In recognition of the burden of increasing workers'
21 compensation insurance premiums on volunteer fire depart-
22 ments, the Legislature has determined that additional
23 funding assistance should be made available to eligible
24 departments to pay a portion of those premium increases
25 beginning with invoices due and payable on or after July 1,
26 2011.

27 (c) There is hereby established a special program which
28 shall be known as the "Volunteer Fire Department Workers'
29 Compensation Subsidy Program." The program shall be
30 administered by the State Auditor from moneys that may be
31 appropriated and designated for the program by the Legisla-
32 ture.

33 (d) The State Auditor shall administer the distribution of
34 moneys appropriated for Volunteer Fire Department Work-
35 ers' Compensation Subsidy Program to volunteer fire
36 departments to help defray workers' compensation insurance
37 premium increases.

38 (1) Volunteer fire departments shall request supplemental
39 funds by submitting to the Auditor the following informa-
40 tion:

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

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

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

51 (2) After determining that there is a premium increase and
52 the amount of the premium increase for the volunteer fire
53 department requesting the subsidy, the Auditor shall make
54 disbursements in the manner set forth in subsection (e) of
55 this section subject to the following requirements:

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

58 (B) The volunteer fire department must be registered with
59 the Auditor's Office in a form and manner prescribed by the

60 Auditor prior to being eligible for consideration of any
61 subsidy, which registration must be completed no fewer than
62 thirty days prior to the due date of the workers' compensa-
63 tion premium;

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

69 (D) Should a volunteer fire department fail to pay the
70 balance of its workers' compensation insurance premium
71 after a disbursement by the Auditor and that insurance
72 policy is subsequently cancelled, the premium paid by the
73 Auditor shall be returned directly to him or her. If the
74 Auditor does not receive a reimbursement for a cancelled
75 policy, he or she shall seek reimbursement for the subsidy
76 portion of the insurance premium from the State Treasurer
77 when the treasurer makes the next quarterly payment to the
78 volunteer fire department pursuant to sections thirty-three
79 and fourteen-d, article three, chapter thirty-three of this
80 code.

81 (e) Beginning with the fiscal year that starts July 1, 2011,
82 and continuing in each fiscal year thereafter, after the

83 Auditor has verified that a volunteer fire department is
84 eligible for a subsidy pursuant to this section, he or she shall
85 pay on behalf of a volunteer fire department its subsidy,
86 which is calculated by:

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

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

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

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

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

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