

1 **H. B. 2543**

2
3 (By Mr. Speaker, (Mr. Thompson) and Delegates Boggs,
4 Caputo, Swartzmiller, White, Miley, Poling, M., Morgan,
5 Armstead, Lane and Cowles)

6
7 [Introduced February 19, 2013; referred to the
8 Committee on Finance.]

9
10 A BILL to amend and reenact §12-4-14a of the Code of West Virginia,
11 1931, as amended, relating to specifying that the subsidy
12 provided to volunteer fire departments to offset certain
13 workers' compensation premium increases apply to increases
14 attributable to the fire fighting service, rapid response
15 emergency medical service, ambulance service and diving
16 service components of the services provided by volunteer fire
17 departments.

18 *Be it enacted by the Legislature of West Virginia:*

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

21 **ARTICLE 4. ACCOUNTS, REPORTS AND GENERAL PROVISIONS.**

22 **§12-4-14a. Workers' Compensation Subsidy for Volunteer Fire**
23 **Departments; creation of program; Auditor to**
24 **administer.**

25 (a) For the purposes of this section:

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

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

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

12 (4) "Total base year premium" means the aggregate workers'
13 compensation insurance premium due and payable by all volunteer
14 fire departments for fire fighting services, rapid response
15 emergency medical services, ambulance services or diving services
16 provided by the volunteer fire departments as determined by the
17 Insurance Commissioner after June 30, 2010, but before July 1,
18 2011.

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

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

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

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

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

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

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

23 (C) Any other information the Auditor deems necessary for
24 administering the subsidy on forms and schedules as the Auditor

1 directs. The Auditor is authorized to set up an electronic filing
2 system at his or her discretion for filing of the aforementioned
3 information.

4 (2) After determining that there is a premium increase and the
5 amount of the premium increase for the volunteer fire department
6 requesting the subsidy, the Auditor shall make disbursements in the
7 manner set forth in subsection (e) of this section subject to the
8 following requirements:

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

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

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

20 (D) Should a volunteer fire department fail to pay the balance
21 of its workers' compensation insurance premium after a disbursement
22 by the Auditor and that insurance policy is subsequently cancelled,
23 the premium paid by the Auditor shall be returned directly to him
24 or her. If the Auditor does not receive a reimbursement for a

1 cancelled policy, he or she shall seek reimbursement for the
2 subsidy portion of the insurance premium from the State Treasurer
3 when the Treasurer makes the next quarterly payment to the
4 volunteer fire department pursuant to sections thirty-three and
5 fourteen-d, article three, chapter thirty-three of this code.

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

11 (1) Dividing the total amount of premium subsidy allocated by
12 the Legislature to the Volunteer Fire Department Workers'
13 Compensation Subsidy Program by the total premium minus the total
14 base year premium, which calculation produces the "total shortfall
15 multiplier"; and

16 (2) Multiplying the total shortfall multiplier determined in
17 subdivision (1) of this subsection by the individual premium less
18 the individual base year premium.

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

22 (f) For fiscal years after July 1, 2011, the Auditor shall
23 consult with the Insurance Commissioner to determine the total
24 amount of workers' compensation premium due by volunteer fire

1 departments for any subsequent fiscal year. The Auditor may
2 determine payment dates based upon information reasonably available
3 for such a determination.

4 (g) The Auditor may promulgate emergency rules and may propose
5 for promulgation legislative rules, in accordance with the
6 provisions of article three, chapter twenty-nine-a of this code, as
7 are necessary to provide for implementation and enforcement of the
8 provisions of this section.

9 (h) The volunteer fire departments' workers' compensation
10 premium subsidy program shall undergo a review to assess its
11 effectiveness after three years of operation. The Auditor shall
12 submit a report to the Joint Committee on Government and Finance
13 not later than February 1, 2015, and provide details of the program
14 operation including funds distributed and departments taking
15 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.