

Department of Planning and Budget 2012 Fiscal Impact Statement

1. Bill Number: HB1134

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. Patron: Cosgrove

3. Committee: Passed Both Houses

4. Title: Line of Duty Act; definition of deceased person; DMV.

5. Summary: This bill clarifies that full-time sworn members of the enforcement division of the Department of Motor Vehicles (DMV) are eligible to receive benefits according to the Line of Duty Act (LODA).

6. Budget Amendment Necessary: No.

7. No Fiscal Impact.

8. Fiscal Implications: This bill is not anticipated to result in a fiscal impact to the state as the 73 full-time sworn members of the enforcement division of the Department of Motor Vehicles (DMV) are already eligible to receive Line of Duty Act (LODA) benefits as defined in § 9.1-400, Code of Virginia.

According to the LODA, benefits are extended to “a law enforcement officer of the Commonwealth.” As defined by § 9.1-101, the definition of law enforcement officer includes “...full-time sworn member[s] of the enforcement division of the Department of Motor Vehicles appointed pursuant to § 46.2-217.” As such, this bill does not extend benefits to a new group of individuals, as those specified by this bill are already eligible to receive LODA benefits. Accordingly, the cost for these individuals is also already factored into the premium rate for entities participating in the state LODA funding pool.

Starting on July 1, 2011, the LODA program became fee-based. All state agencies and localities that opt to continue participating in the state program (on or before July 1, 2012) are charged a premium for each individual that is eligible to receive LODA benefits.

The premium is set annually at a rate to cover estimated death and health benefit expenses, a repayment of the loan from the Group Life fund to cover costs associated with the program for FY 2011 and part of FY 2012, and administrative costs incurred by the Virginia Retirement System (VRS) and the Department of Accounts (DOA). Employees who qualify for line of duty coverage and are full-time equivalent (FTE) are calculated at 100 percent of

the rate, part-time members are also assessed at 100 percent of the FTE rate and volunteers are calculated at a rate of 25 percent of an FTE.

According to VRS, the premium cost for each FTE eligible to receive LODA benefits is \$474.14 in FY 2013 and \$521.97 in FY 2014. These rates are based on a calculation of premiums to fund on a current disbursement basis and assumes that all local entities without ongoing claims prior to July 1, 2011, that have not already opted out of the state funding pool as of January 1, 2012, elect to do so on or before July 1, 2012.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Motor Vehicles, Virginia Retirement System, Department of Accounts, all state agencies and local entities in the state LODA funding pool.

- 10. Technical Amendment Necessary:** No.

- 11. Other Comments:** The Governor's Introduced Budget for the FY 2012-2014 biennium (HB30), included \$5.1 million to assist state agencies with the general fund portion of their LODA costs. The budget as originally approved by the House included this funding, as did the budget approved by the Senate Finance Committee. The newly introduced HB1301 also includes this funding. The exact figure to be distributed to each agency is indeterminate until after July 1, 2012, when localities have made an irrevocable election to stay in, or opt-out, of the state financing model.

Date: 3/5/2012