

Department of Planning and Budget 2012 Fiscal Impact Statement

1. Bill Number: SB125

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

2. Patron: Watkins

3. Committee: Finance

4. Title: Line of Duty Act.

5. Summary: This bill differentiates between “participating” and “non-participating” employers as pertaining to the Line of Duty Act (LODA), and affords non-participating employers (political subdivisions that make an irrevocable election on or before July 1, 2012, to self-fund LODA benefits) the authority to administer the LODA program independently from the state. Currently, the LODA program is administered centrally by the State Comptroller regardless of whether or not an employer is participating in the state LODA funding pool.

6. Budget Amendment Necessary: Yes, Item 268, see item 11, below.

7. Fiscal Impact Estimates: Preliminary.

8. Fiscal Implications: This bill would grant authority to non-participating employers to make determinations for eligibility of LODA benefits and to make benefit payments accordingly. Currently, the Virginia State Police (VSP) are responsible for conducting investigations into LODA claims and for reporting the findings to the State Comptroller who then is responsible for determining eligibility and making payment of benefits owed on behalf of all employers statewide. Currently, non-participating employers must reimburse the State Comptroller in an amount equal to benefits paid out on its behalf in addition to any administrative costs.

Any fiscal impact on state administrative costs resulting from this bill, incurred by either the Department of Accounts or VSP, is indeterminate at this time.

This bill does not impact local entities that opt to remain as participating employers; these employers will continue to abide by LODA provisions according to current law.

9. Specific Agency or Political Subdivisions Affected: Department of Accounts, Virginia State Police, Virginia Retirement System, all state agencies or local entities with personnel covered under the Line of Duty Act.

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is identical to HB740, as introduced. Additionally, this bill conflicts with Item 268 of HB/SB 30, the Introduced Budget Bill, which specifies that all authority for determining LODA eligibility and administering benefits lies with the State Comptroller. A budget amendment is needed to align HB/SB 30 with the intentions of the bill.

This bill could result in benefits being paid to claimants in a manner that may not be uniform across the Commonwealth. Any fiscal impact resulting from legal ramifications of this potential inequality are indeterminate at this time. Finally, this bill will eliminate a central coordination of LODA benefits and thereby eliminate statewide reporting or information gathering.

Date: 1/18/2012