

Department of Planning and Budget 2012 Fiscal Impact Statement

1. Bill Number: SB125

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input checked="" 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 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. The engrossed version of the bill extends the date for localities to make the irrevocable election by one year, from July 1, 2012, to July 1, 2013, and contains an enactment clause that makes the provisions of the bill contingent upon reenactment of the bill by the 2013 Session of the General Assembly.

6. Budget Amendment Necessary: No, 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 similar to HB740, as introduced. The engrossed version of this bill delays the deadline for localities to make an irrevocable election to self-fund benefits by one year; it also has an enactment clause that delays the provisions of the bill until, and if, the bill is reenacted by the 2013 General Assembly Session. As such, this effectively postpones any changes that this bill would make to the current LODA program until approved by the 2013 Session of the General Assembly.

At this time, it would appear that amendments need to be made to Item 268 of HB/SB 30, the Introduced Budget Bill, to align the budget with this bill.

The provisions of this bill could result in benefits being paid to claimants in a manner that may not be uniform across the Commonwealth. Enactment of the provisions of this bill will eliminate a central coordination of LODA benefits and thereby eliminate statewide reporting or information gathering.

Date: 1/30/2012