



LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: **HB 729** HLS 09RS 1359  
Bill Text Version: **ORIGINAL**  
Opp. Chamb. Action:  
  
Proposed Amd.:  
Sub. Bill For.:

<b>Date:</b> April 27, 2009 3:05 PM	<b>Author:</b> BILLIOT
<b>Dept./Agy.:</b> State Fire Marshal	<b>Analyst:</b> Travis McIlwain
<b>Subject:</b> workers' compensation benefits for volunteer firemen	

FIRE PROTECT/FIREMENOR -\$2,000,000 LF EX See NotePage 1 of 1

Provides workers' compensation coverage for volunteer firefighters

This bill provides that the state fire marshal will provide workers' compensation coverage to volunteer members of fire companies and the cost of such coverage will be paid from the 2% Fire Insurance Fund. Repeals R.S. 23:1036(D)(3), (F), (G), and (J). Proposed bill also provides for up to \$7,500 for burial expense. This bill provides that any member who is not carried on the membership list of the organization as of the date of the member's injury will not be entitled to these benefits.

Effective upon governor's signature.

EXPENDITURES	2009-10	2010-11	2011-12	2012-13	2013-14	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$2,016,875	\$2,016,875	\$2,016,875	\$2,016,875	\$2,016,875	\$10,084,375
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)	(\$10,000,000)
Annual Total	\$16,875	\$16,875	\$16,875	\$16,875	\$16,875	\$84,375

REVENUES	2009-10	2010-11	2011-12	2012-13	2013-14	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed legislation would result in an increase of \$2.0 million in state fire marshal expenditures for insurance premiums that would be paid on behalf of volunteer firefighters and a decrease by a like amount of expenditures that could be made by local entities. This bill provides for the state fire marshal to provide workers' compensation insurance coverage to approximately 8,500 active volunteer firefighters at a projected cost of \$2.0 million annually to be paid from the 2% Fire Insurance Fund. The premium projection is provided to the state fire marshal by the Louisiana Workers' Compensation Corporation (LWCC). There are other projected expenditures in the amount of \$16,875, which will likely be funded with the Louisiana State Fire Marshal Fund. Those specific costs include: \$15,488 overtime hours, \$225 related benefits, \$500 travel, \$524 operating services, \$138 supplies.

Below is an illustration of the projected FY 10 allocation as it appears in HB 1-original of the 2% Fire Insurance Fund.

<u>Current law allocation:</u>			<u>Proposed law allocation:</u>		
08-422	State Fire Marshal	\$528,196	08-422	State Fire Marshal	\$2,528,196
19-600	LSU Board of Supervisors	\$210,000	19-600	LSU Board of Supervisors	\$210,000
20-932	Local allocations	\$16,570,000	20-932	Local allocations	\$14,570,000
TOTAL		\$17,308,196	TOTAL		\$17,308,196

According to the latest REC estimates, this fund is projected to collect \$18.2 million in FY 10 and currently only \$17,308,196 in total funding is in HB 1. Thus, there is approximately \$0.9 million of unappropriated FY 10 projected revenues that could added to the local allocation, 20-932, to alleviate the potential \$2.0 million impact. To the extent the remaining \$891,804 unappropriated balance is appropriated to the locals, the net impact of this bill to the locals is a reduction of approximately \$1.1 million.

In current law, R.S. 40:1593 authorizes the state fire marshal to negotiate for and to purchase out of the 2% Fire Insurance Fund, R.S. 22:347(A) a group insurance to provide medical benefits, death benefits and burial benefits for volunteer firefighters. Although this bill does not amend Title 40, it appears this legislation will require the state fire marshal to negotiate workers' compensation policy for the projected 8,500 volunteer firefighters with the funding source being the 2% Fire Insurance Fund by amending Title 22 and Title 23.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. This legislation merely adds another prioritized expenditure to the list of items to be funded with the 2% Fire Insurance Fund (R.S. 22:347(A)(1)).

Senate	Dual Referral Rules	House	
<input checked="" type="checkbox"/> 13.5.1 >= \$500,000 Annual Fiscal Cost		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease	

Robert E. Hosse  
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