

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 3, 2007**

**TO:** Honorable Kevin Bailey, Chair, House Committee on Urban Affairs

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB2667** by Latham (Relating to insurance coverage for volunteer firefighters and volunteer police force members.), **As Introduced**

The fiscal impact to state agencies would vary depending on the number of volunteer firefighters and volunteer police members who would be eligible for coverage, the level of coverage provided, and the costs of premiums and how much of those costs would be paid by the state or passed on to the insured; therefore, the costs cannot be estimated.

The bill would add Subchapter H to Chapter 614 of the Government Code to require the applicable state agency or political subdivision to provide insurance coverage for volunteer firefighters and volunteer police members. Provisions of the bill would apply only to volunteer firefighters and police members performing assigned duties on or after January 1, 2008.

The bill would take effect September 1, 2007.

According to the State Office of Risk Management (SORM), volunteers under the direction of an officer or employee of the state are currently covered for workers' compensation medical benefits under Section 501.026, Texas Labor Code, in the event of an injury sustained when a declaration of disaster has been issued pursuant to Chapter 418, Government Code. The bill would not expand the authority of SORM or the scope of the state employee workers' compensation insurance program coverage administered by SORM pursuant to Chapters 412 and 501, Texas Labor Code. Therefore, SORM indicates that agencies or political subdivisions may be required to obtain separate insurance specified by the bill. SORM is unable to identify a separate insurance model for coverage of an unknown or non-declared population currently in existence.

According to the Department of Public Safety, in many cases, the volunteer organizations are covered under grants by the Texas Forest Service for the purchase of insurance.

**Local Government Impact**

The fiscal impact to local governments would vary depending on whether the entity is or is not self-insured, the number of volunteer firefighters and volunteer police members who would be eligible for coverage, the level of coverage provided, and the costs of premiums and how much of those costs would be paid by the local governmental entity or passed on to the insured.

According to the Texas Association of Counties (TAC), there would be no significant fiscal impact to large counties that are self-insured; however, the fiscal impact to small counties that are not covered in a designated self-insured pool is expected to be significant. It is assumed that similar impacts would apply to other local governmental entities that use the services of volunteer firefighters and police members.

**Source Agencies:** 302 Office of the Attorney General, 405 Department of Public Safety, 454 Department of Insurance, 479 State Office of Risk Management

**LBB Staff:** JOB, SD, MS, DB