

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

Legislative Fiscal Note

BILL NUMBER: House Bill 924 (Third Edition)

SHORT TITLE: Highway Safety/Salary Changes.

SPONSOR(S): Representatives Burr, Hager, and Goodman

FISCAL IMPACT					
(\$ in millions)					
<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> No Estimate Available					
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
State Impact					
General Fund Revenues:					
General Fund Expenditures:					
State Positions:					
NET STATE IMPACT	Likely budget costs. See Assumptions & Methodology section for additional details.				
Local Impact					
Revenues:					
Expenditures:					
NET LOCAL IMPACT	No estimate available. Please see Assumptions & Methodology section for additional details.				
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:					
Department of Public Safety (State Bureau of Investigation, State Highway Patrol)					
EFFECTIVE DATE: Sections 1 & 2 are effective December 1, 2015.					
All other sections are effective when the bill becomes law					
TECHNICAL CONSIDERATIONS:					
Yes - See Technical Considerations Section					

BILL SUMMARY:

This fiscal note will only discuss Sections 3, 4, 5, and 7 of House Bill 924 (HB 924), Highway Safety/Salary Changes. These summaries of these sections are adapted from the Research Division’s bill summary.

Section 3-4. Currently, Article 12B of Chapter 143 governs salary continuation for certain State law enforcement officers subject to the Criminal Justice Training and Standards Act, driver’s license examiners, and corrections officers injured on the job. When an eligible person under that Article is incapacitated as the result of an injury proximately caused by the heightened risk and special hazards directly related to the violent nature of the eligible person’s official duties, the individual is paid their 100% of his or her salary as long as employment in that position continues during the incapacity. If the incapacity continues for more than two years from its inception, then the individual received workers’ compensation benefits, which pay 66.67% of salary.

The bill would make the following changes to the current law:

- Require the injury to result from or arise out of an episode of violence, resistance or other special hazards which occur while the person is performing official duties (which clarifies the existing language of proximately caused by the heightened risk and special hazards).
- Provide that the benefits received under this provision are deducted from the person's total eligibility under workers' compensation.
- Provide that the benefits cease or are equitably reduced when the employee returns to work for the same or a different employer.
- Provide that total base pay is the amount the eligible person is entitled to, rather than full salary.

Section 5. HB 924 clarifies that when the Director of the State Bureau of Investigation (SBI) hires reserve agents, those reserve agents are eligible to receive workers compensation benefits for injuries incurred while performing that reserve agent's assigned duties.

Section 7. The bill provides that the State Highway Patrol (SHP) is authorized to appoint retired members as volunteer reserve officers and those reserve officers are eligible to receive workers' compensation benefits for injuries incurred while performing assigned duties.

ASSUMPTIONS AND METHODOLOGY:

Sections 3 and 4

Sections 3 and 4 may result in slight budget savings for the State. According to Office of State Human Resources (OSHR), utilizing base pay instead of “full salary” is clarifying existing State policy but could result in savings if any agency has been implementing salary continuation payments on total take-home pay, which may include overtime, holiday pay, and other salary enhancements. These sections could also result in budgetary savings by reducing the total time an individual can make workers’ compensation claims after the end of salary continuation benefits.

Sections 5 and 7

Sections 5 and 7 may result in budgetary costs to the State. These sections authorize the use of “reserve” agents or members by the SBI and the SHP and give these reserves workers’ compensation benefits. Providing workers’ compensation to reserve agents could certainly result in additional expenditures for the State if any agent is injured performing assigned duties.

The SBI has utilized reserve agents in its Alcohol Law Enforcement (ALE) division and reports only one injury of a reserve agent. Without sections 5 and 7, reserve agents such as those within ALE receive no workers’ compensation benefits. Based on the experience of ALE, the extension of workers’ compensation benefits to reserve agents and members is not expected to have a significant cost. But expansion of the reserve agent/ member program and the provision of workers’ compensation are expected to result in a cost to the State at some point.

SOURCES OF DATA:

Research Division, HB 924 Bill Summary
Department of Public Safety

TECHNICAL CONSIDERATIONS:

1. Section 5 does not specify the training or certification requirement for reserve agents nor does it indicate that they are volunteers
2. In both Sections 5 and 7, there is no specificity in the term assigned duties. Thus, there is no clarification as to the duties that a reserve agent or member may perform.

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DATE: September 17, 2015



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