

Department of Legislative Services  
Maryland General Assembly  
2004 Session

FISCAL AND POLICY NOTE

House Bill 1127  
Economic Matters

(Delegate Glassman, *et al.*)

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**Workers' Compensation - Volunteer Fire and Rescue Companies**

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This bill provides that all members of a volunteer fire company while on duty are considered, for workers' compensation purposes, covered employees of the county in which the company is located.

The bill is effective October 1, 2006.

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**Fiscal Summary**

**State Effect:** None. The bill would not materially affect State government operations.

**Local Effect:** Significant increase in workers' compensation claims for self-insured counties and premiums for counties with third-party insurance in which volunteer fire and rescue companies are not currently covered employees while on duty.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Members of volunteer fire and rescue companies in 16 counties are covered employees for the purposes of workers' compensation. Statute provides some county commissions the authority to set guidelines for coverage. Volunteer fire and rescue companies in eight counties (Allegany, Carroll, Charles, Garrett, St. Mary's, Somerset, Washington, Worcester) are not covered employees unless the county commission elects coverage, as provided by commission resolution.

**Local Fiscal Effect:** This bill would not impact any of the counties in which volunteer fire and rescue company members are already considered covered employees while on duty. The Department of Legislative Services surveyed three of the eight jurisdictions where coverage is optional on the part of the county. None of those jurisdictions have elected to cover volunteer fire and rescue company members when on duty using direct county revenues.

Carroll and Charles counties indicated that volunteer fire and rescue companies currently purchase third-party workers' compensation coverage. In Carroll County, the county provides funding for the companies, and part of that funding is used to pay for workers' compensation insurance. In Charles County, the county includes an assessment on its local property tax to fund volunteer fire and rescue companies and these revenues are used by the volunteer companies to purchase coverage. Charles County also noted that rates for fire and rescue company members are significantly higher than for clerical and nonclerical workers currently covered under the county's policy with the Injured Workers' Insurance Fund. The county has 12 volunteer fire companies and approximately six volunteer rescue companies. The county estimates that overall workers' compensation rates could increase by 2.5 times.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** National Council on Compensation Insurance, Uninsured Employers' Fund, Workers' Compensation Commission, Injured Workers' Insurance Fund, Subsequent Injury Fund, Allegany County, Carroll County, Charles County, Department of Legislative Services

**Fiscal Note History:** First Reader - March 2, 2004  
mam/mdr

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