



## 1999 ASSEMBLY BILL 187

March 8, 1999 - Introduced by Representatives POWERS, MUSSER, KLUSMAN, GUNDERSON, GRONEMUS, KREIBICH, DUFF, HUEBSCH, HANDRICK, SYKORA, PORTER, SCHNEIDER, FREESE, SHERMAN, MILLER, HASENOHRL, AINSWORTH, BRANDEMUEHL, SUDER, SPILLNER, OWENS, RYBA, LASSA, JOHNSRUD, SERATTI, BOYLE, KESTELL, HOVEN, HEBL, NASS, ALBERS, PETROWSKI, OTT, OLSEN, REYNOLDS, HUTCHISON, SKINDRUD, HAHN, RHOADES, HUNDERTMARK and PETTIS, cosponsored by Senators ZIEN, SHIBILSKI, WELCH, BRESKE, FITZGERALD, SCHULTZ, DRZEWIECKI, RUDE, MOEN, DARLING, A. LASEE, WIRCH, ROESSLER, PANZER, BAUMGART, LAZICH and FARROW. Referred to Committee on Urban and Local Affairs.

1     **AN ACT to amend** 40.03 (1) (d) (intro.), 40.03 (2) (i), 40.03 (5) (c) and 40.04 (5) (e);  
2             **and to create** 13.94 (1) (p), 15.165 (5), 20.515 (2), 25.85, 40.03 (2) (im) and 40.03  
3             (10) of the statutes; **relating to:** establishing a service award program for  
4             volunteer fire fighters and emergency medical technicians, creating a volunteer  
5             fire fighter and emergency medical technician service award board, requiring  
6             the exercise of rule-making authority and making appropriations.

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### *Analysis by the Legislative Reference Bureau*

This bill creates a volunteer fire fighter and emergency medical technician service award board (board), attached to the department of employe trust funds (DETF). The board consists of the secretary of employe trust funds or his or her designee, three members who are volunteer fire fighters and three members who represent municipalities that operate volunteer fire departments.

Under the bill, the board must establish by rule a volunteer fire fighter and emergency medical technician service award program for volunteer fire fighters and emergency medical technicians in municipalities that operate volunteer fire departments or that contract with volunteer fire companies and in any municipality that authorizes volunteer emergency medical technicians to provide emergency medical technical services in the municipality. To the extent permitted by federal law, the award must be treated as a tax-deferred benefit under the federal income tax code. The board must promulgate rules to include the following design features for the program:

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1. All municipalities that operate volunteer fire departments or that contract with volunteer fire companies and any municipality that authorizes volunteer emergency medical technicians to provide emergency medical technical services in the municipality may voluntarily participate in the program.

2. Annual contributions must be paid by municipalities for each volunteer fire fighter and emergency medical technician in an amount determined by the municipalities.

3. The state must match all annual municipal contributions paid for volunteer fire fighters and emergency medical technicians up to \$250 per year. This amount is to be adjusted annually to reflect changes in the cost of living.

4. A municipality may purchase additional years of service for volunteer fire fighters and emergency medical technicians who have at least five years of service.

5. A vesting period of ten years of volunteer fire fighting or emergency medical technical service for a municipality is required before a volunteer fire fighter or emergency medical technician qualifies to receive any benefits under the program.

6. A requirement that a volunteer fire fighter or emergency medical technician must be paid a lump sum, consisting of all municipal and state contributions made on behalf of the fire fighter or emergency medical technician and all earnings on the contributions, less any amounts used to fund the general program operations of the program, after the fire fighter or emergency medical technician attains 20 years of service for a municipality and reaches the age of 60. If a volunteer fire fighter or emergency medical technician has satisfied all vesting requirements but has less than 20 years of service with a municipality or has not reached the age of 60, the program must provide for a reduced lump sum payment.

7. A requirement that a volunteer fire fighter or emergency medical technician must forfeit his or her rights to all contributions under the program if he or she should cease providing volunteer fire fighting or emergency medical technical services for six months or more for a municipality and he or she has not provided volunteer fire fighting or emergency medical technical service for a municipality for at least ten years, unless the board finds good cause for the period of separation.

Under the bill, the board must contract with an individual or organization in the private sector for all administrative and investment services required for the volunteer fire fighter and emergency medical technician service award program.

Finally, under the bill, the volunteer fire fighter and emergency medical technician service award board must submit the proposed rules to the legislative council staff no later than February 1, 2001. In addition, the legislative audit bureau must prepare a performance evaluation audit of the volunteer fire fighter and emergency medical technician service award program no later than February 1, 2006.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

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1           **SECTION 1.** 13.94 (1) (p) of the statutes is created to read:

2           13.94 (1) (p) No later than February 1, 2006, prepare a performance evaluation  
3           audit of the volunteer fire fighter and emergency medical technician service award  
4           program established under s. 40.03 (10). The legislative audit bureau shall file a copy  
5           of the audit report under this paragraph with the distributees specified in par. (b).

6           **SECTION 2.** 15.165 (5) of the statutes is created to read:

7           15.165 (5) VOLUNTEER FIRE FIGHTER AND EMERGENCY MEDICAL TECHNICIAN SERVICE  
8           AWARD BOARD. (a) There is created in the department of employe trust funds a  
9           volunteer fire fighter and emergency medical technician service award board  
10          consisting of the secretary of employe trust funds or his or her designee and the  
11          following members appointed for 3-year terms:

12           1. Three members who are volunteer fire fighters.

13           2. Three members who represent municipalities that operate volunteer fire  
14          departments or that contract with volunteer fire companies organized under ch. 181  
15          or 213.

16           (b) 1. In appointing the members under par. (a) 1., the governor shall appoint  
17          one member who is a member of the Wisconsin State Fire Chiefs Association and at  
18          least one member who is a member of the Wisconsin State Fire Fighters Association.

19           2. In appointing the members under par. (a) 1. and 2., the governor shall seek  
20          to appoint members from different regions of the state and municipalities of different  
21          sizes.

22           **SECTION 3.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert  
23          the following amounts for the purposes indicated:

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**1999-00      2000-01**

1    **20.515    Employe trust funds, department of**

2    (2)    VOLUNTEER FIRE FIGHTER AND EMERGENCY  
 3            MEDICAL TECHNICIAN SERVICE AWARD PROGRAM

4    (a)    Volunteer fire fighter and emer-  
 5            gency medical technician service  
 6            award board; start-up costs            GPR      A            -0-            -0-

7    (q)    Volunteer fire fighter and emer-  
 8            gency medical technician service  
 9            award program; general program  
 10           operations                            SEG      A            -0-            -0-

11            **SECTION 4.** 20.515 (2) of the statutes is created to read:

12            **20.515 (2)** VOLUNTEER FIRE FIGHTER AND EMERGENCY MEDICAL TECHNICIAN SERVICE  
 13    AWARD PROGRAM. (a) *Volunteer fire fighter and emergency medical technician service*  
 14    *award board; start-up costs.* The amounts in the schedule for the start-up costs for  
 15    the operations of the volunteer fire fighter and emergency medical technician service  
 16    award board.

17            (b) *Volunteer fire fighter and emergency medical technician service award*  
 18    *program; state matching awards.* A sum sufficient to make the transfers to the  
 19    volunteer fire fighter and emergency medical technician service award fund that are  
 20    required under s. 40.03 (10) (f).

21            (q) *Volunteer fire fighter and emergency medical technician service award*  
 22    *program; general program operations.* From the volunteer fire fighter and  
 23    emergency medical technician service award fund, the amounts in the schedule for

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1 the general program operations of the volunteer fire fighter and emergency medical  
2 technician service award program.

3 (r) *Volunteer fire fighter and emergency medical technician service award*  
4 *program; service awards.* From the volunteer fire fighter and emergency medical  
5 technician service award fund, a sum sufficient for the payment of volunteer fire  
6 fighter and emergency medical technician service awards under s. 40.03 (10).

7 **SECTION 5.** 25.85 of the statutes is created to read:

8 **25.85 Volunteer fire fighter and emergency medical technician service**  
9 **award fund.** There is established a separate nonlapsible trust fund designated as  
10 the volunteer fire fighter and emergency medical technician service award fund,  
11 consisting of moneys paid by municipalities on behalf of volunteer fire fighters and  
12 emergency medical technicians covered by the volunteer fire fighter emergency  
13 medical technician service award program established under s. 40.03 (10) and  
14 moneys required to be transferred by the state to the fund under s. 40.03 (10) (f).

15 **SECTION 6.** 40.03 (1) (d) (intro.) of the statutes is amended to read:

16 40.03 (1) (d) (intro.) Shall select and retain an actuary or an actuarial firm,  
17 under one or more contractual agreements which shall run to the department for the  
18 purpose of performing all actuarial services which are necessary for the operation  
19 and control of each of the insurance and benefit programs under this chapter, other  
20 than the volunteer fire fighter and emergency medical technician service award  
21 program established under sub. (10). Under this paragraph, the board shall:

22 **SECTION 7.** 40.03 (2) (i) of the statutes is amended to read:

23 40.03 (2) (i) Shall promulgate, with the approval of the board, all rules, except  
24 rules promulgated under par. (ig), (im) or (ir), that are required for the efficient  
25 administration of the fund or of any of the benefit plans established by this chapter.

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1 In addition to being approved by the board, rules promulgated under this paragraph  
2 relating to teachers must be approved by the teachers retirement board and rules  
3 promulgated under this paragraph relating to participants other than teachers must  
4 be approved by the Wisconsin retirement board, except rules promulgated under s.  
5 40.30.

6 **SECTION 8.** 40.03 (2) (im) of the statutes is created to read:

7 40.03 (2) (im) Shall promulgate, with the approval of the volunteer fire fighter  
8 and emergency medical technician service award board, all rules required for the  
9 establishment and administration of the volunteer fire fighter and emergency  
10 medical technician service award program under sub. (10).

11 **SECTION 9.** 40.03 (5) (c) of the statutes is amended to read:

12 40.03 (5) (c) Shall determine the proper rates of premiums and contributions  
13 required, or advise as to the appropriateness of premium rates proposed by  
14 independent insurers, for each of the benefit plans provided for by this chapter, other  
15 than the volunteer fire fighter and emergency medical technician service award  
16 program established under sub. (10).

17 **SECTION 10.** 40.03 (10) of the statutes is created to read:

18 40.03 (10) VOLUNTEER FIRE FIGHTER AND EMERGENCY MEDICAL TECHNICIAN SERVICE  
19 AWARD BOARD. (a) The volunteer fire fighter and emergency medical technician  
20 service award board shall establish by rule a program to provide length-of-service  
21 awards, described in 26 USC 457 (e) (11), to volunteer fire fighters in municipalities  
22 that operate volunteer fire departments or that contract with volunteer fire  
23 companies organized under ch. 181 or 213 and to volunteer emergency medical  
24 technicians in any municipality that authorizes volunteer emergency medical  
25 technicians to provide emergency medical technical services in the municipality. To

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1 the extent permitted by federal law, the volunteer fire fighter and emergency medical  
2 technician service award board shall design the program so as to treat the  
3 length-of-service awards as a tax-deferred benefit under the Internal Revenue  
4 Code.

5 (b) The volunteer fire fighter and emergency medical technician service award  
6 board shall promulgate rules to include the following design features for the  
7 program:

8 1. All municipalities that operate volunteer fire departments or that contract  
9 with volunteer fire companies organized under ch. 181 or 213 and any municipality  
10 that authorizes volunteer emergency medical technicians to provide emergency  
11 medical technical services in the municipality may voluntarily participate in the  
12 program.

13 2. Annual contributions shall be paid by municipalities for each volunteer fire  
14 fighter and emergency medical technician in an amount determined by the  
15 municipalities.

16 3. The state shall match all annual municipal contributions paid for volunteer  
17 fire fighters and emergency medical technicians up to \$250 per year, other than  
18 contributions paid under subd. 4. This amount shall be adjusted annually to reflect  
19 any changes in the U.S. consumer price index for all urban consumers, U.S. city  
20 average, as determined by the U.S. department of labor.

21 4. A municipality may purchase any number of additional years of service for  
22 volunteer fire fighters and emergency medical technicians who have at least 5 years  
23 of service as a volunteer fire fighter or emergency medical technician. The number  
24 of additional years of service that may be purchased under this subdivision may not  
25 exceed the number of years of volunteer fire fighting or emergency medical technical

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1 service performed by the volunteer fire fighter or emergency medical technician for  
2 the municipality.

3 5. A vesting period of 10 years of volunteer fire fighting or emergency medical  
4 technical service for a municipality shall be required before a volunteer fire fighter  
5 or emergency medical technician qualifies to receive any benefits under the program.

6 6. A requirement that a volunteer fire fighter or emergency medical technician  
7 shall be paid a lump sum, consisting of all municipal and state contributions made  
8 on behalf of the volunteer fire fighter or emergency medical technician and all  
9 earnings on the contributions, less any amounts to fund the general program  
10 operations costs of the volunteer fire fighter and emergency medical technician  
11 service award program, after the fire fighter or emergency medical technician  
12 attains 20 years of service for a municipality and reaches the age of 60. If a volunteer  
13 fire fighter or emergency medical technician has satisfied all vesting requirements  
14 but has less than 20 years of service for a municipality or has not reached the age of  
15 60, the program shall provide for the payment of a reduced lump sum, as determined  
16 by the volunteer fire fighter and emergency medical technician service award board.

17 7. A requirement that a volunteer fire fighter or emergency medical technician  
18 shall forfeit his or her rights to all contributions under the program if he or she should  
19 cease providing volunteer fire fighting or emergency medical technical services for  
20 a municipality for 6 months or more and he or she has not provided fire fighting or  
21 emergency medical technical services for a municipality for at least 10 years, unless  
22 the volunteer fire fighter and emergency medical technician service award board  
23 finds good cause for the period of separation.

24 (c) The volunteer fire fighter and emergency medical technician service award  
25 board may charge the volunteer fire fighter and emergency medical technician



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1 service award fund for the general program operations costs of the volunteer fire  
2 fighter and emergency medical technician service award program.

3 (d) The members of the volunteer fire fighter and emergency medical  
4 technician service award board shall be the trustees of the volunteer fire fighter and  
5 emergency medical technician service award fund and shall have all powers  
6 necessary or convenient to perform any fiduciary duty required by law.

7 (e) The volunteer fire fighter and emergency medical technician service award  
8 board shall contract with an individual or organization in the private sector for all  
9 administrative and investment services required, other than services funded from  
10 the appropriation account under s. 20.515 (2) (a), for the volunteer fire fighter and  
11 emergency medical technician service award program.

12 (f) The volunteer fire fighter and emergency medical technician service award  
13 board shall transfer from the appropriation account under s. 20.515 (2) (b) to the  
14 volunteer fire fighter and emergency medical technician service award fund all  
15 amounts necessary to match the municipal contributions under the volunteer fire  
16 fighter and emergency medical technician service award program.

17 (g) The volunteer fire fighter and emergency medical technician service award  
18 board shall accept timely appeals of determinations made by the department  
19 affecting any right or benefit relating to the program established under par. (a).

20 (h) Annually, on or before December 31, the volunteer fire fighter and  
21 emergency medical technician service award board shall submit a report to the chief  
22 clerk of each house of the legislature under s. 13.172 (2) describing the activities of  
23 the volunteer fire fighter and emergency medical technician service award board.

24 **SECTION 11.** 40.04 (5) (e) of the statutes is amended to read:

1           40.04 (5) (e) Credited all amounts waived, released or forfeited under any  
2 provision of this chapter, other than s. 40.03 (10).

3           **SECTION 12. Nonstatutory provisions.**

4           (1) VOLUNTEER FIRE FIGHTER AND EMERGENCY MEDICAL TECHNICIAN SERVICE AWARD  
5 BOARD. Notwithstanding the length of terms specified for the members of the  
6 volunteer fire fighter and emergency medical technician service award board under  
7 section 15.165 (5) (a) 1. and 2. of the statutes, as created by this act, the initial  
8 members shall be appointed for the following terms:

9           (a) One member specified under section 15.165 (5) (a) 1. of the statutes, as  
10 created by this act, and one member specified under section 15.165 (5) (a) 2. of the  
11 statutes, as created by this act, for terms expiring on May 1, 2002.

12           (b) One member specified under section 15.165 (5) (a) 1. of the statutes, as  
13 created by this act, and one member specified under section 15.165 (5) (a) 2. of the  
14 statutes, as created by this act, for terms expiring on May 1, 2003.

15           (c) One member specified under section 15.165 (5) (a) 1. of the statutes, as  
16 created by this act, and one member specified under section 15.165 (5) (a) 2. of the  
17 statutes, as created by this act, for terms expiring on May 1, 2004.

18           (2) SUBMISSION OF PROPOSED RULES ESTABLISHING A VOLUNTEER FIRE FIGHTER AND  
19 EMERGENCY MEDICAL TECHNICIAN SERVICE AWARD PROGRAM. No later than February 1,  
20 2001, the department of employe trust funds shall submit in proposed form the rules  
21 establishing the volunteer fire fighter and emergency medical technician service  
22 award program under section 40.03 (10) of the statutes, as created by this act, to the  
23 legislative council staff under section 227.15 (1) of the statutes.

24

(END)