



2017-2018 General Assembly

SENATE BILL 99: Appropriations Act of 2018, Sec. 35.25: State Troopers Increase/Training Loan Reimbursement

Committee:		Date:	August 8, 2018
Introduced by:		Prepared by:	Cindy Avrette Staff Attorney
Analysis of:	Sec. 35.25 of S.L. 2018-5		

OVERVIEW: *Sec. 35.25, as amended by Sec. 8.1 of S.L. 2018-97, implements a new pay plan for the State Highway Patrol and establishes a trooper training cost recovery program applicable after training to cadets and to certain law enforcement employers that hire cadets. To avoid possible federal income tax consequences associated with creating a forgivable loan program¹, Section 8.1 of the Budget Technical Corrections act (S.L. 2018-97, Senate Bill 335) restructured the program into a contract to reimburse the training expenses if the trooper separates from the Highway Patrol before 36 months of service.² Instead of excusing liability monthly under a promissory note effective during training with forgiveness over the 36-month period, a trooper will agree to reimburse the State only if they leave State employment prior to the agreed upon contract period of 36 months. Covered law enforcement employers who hire a trooper who is still under contract requirements will be liable to the State for training costs in the amount of \$36,000.*

The changes became effective for the 2018-2019 fiscal year.

BILL ANALYSIS: Section 35.25 does two things:

- It implements a new pay plan for the State Highway Patrol.
- It establishes a mechanism for the State to be reimbursed a portion of its training expenses if a State Trooper does not remain in service as a State Trooper for at least 36 months.

Subsections (a) and (b) of this section increase the beginning trooper salary to \$44,000, and sets a stepped progression from beginning trooper to top trooper pay of \$64,202 over a period of six years by providing annual increases of 6.5%. Under the previous schedule, the beginning trooper salary was \$39,189, and the top trooper pay was \$62,875. Under the previous schedule, the stepped progression took approximately eight years to achieve, and the annual increases were not uniform.

Subsection (c), as amended by Section 8.1 of S.L. 2018-97, provides the State may require an individual to agree in writing to reimburse a portion of the training costs incurred if the individual completes the training and becomes a State Trooper but does not remain a State Trooper for 36 months. The portion of the costs to be reimbursed is \$36,000, less \$1,000 for each month the individual served as a State Trooper. No contract may be enforced if the Secretary of Public Safety finds that it is impossible for the individual to serve as a member of the State Highway Patrol due to death, health-related reasons, or other hardship.

¹ As a general rule, the amount of any loan forgiveness is included in an individual's gross income for income tax purposes. Section 35.25(g) would have created a State tax deduction for the loan amount forgiven; but a state cannot exclude that amount from federal gross income.

² The key difference between the forgivable loan program and the contract to reimburse is that the note is not executed at the beginning for \$36,000 and then forgiven; it is executed at the end for whatever amount is owed.

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If a State Trooper separates from the State Highway Patrol before 36 months of service following completion of the training program, and the State Trooper is hired within six months of separation by a municipal law enforcement agency, a Sheriff's office, or a company police agency, then that hiring entity is liable to the State in the amount of \$36,000, to be paid in full within 90 days of the date the State Trooper is employed by the hiring entity. No hiring entity may make any arrangement to circumvent this requirement.

The Secretary of Public Safety must report to the Legislative Oversight Committee on Justice and Public Safety on the implementation of the trooper training reimbursement agreements by January 1, 2021, and annually thereafter.

EFFECTIVE DATE: This section became effective July 1, 2018.