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Kirsch/Wayne
1/26/17

CS FOR HOUSE BILL NO. 23(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVES JOSEPHSON, Kawasaki, Kito, Tuck, Wool, LeDoux, Grenn

A BILL

FOR AN ACT ENTITLED

"An Act creating a fund in the Department of Public Safety; providing for payment of certain health insurance premiums for surviving dependents of certain police officers or firefighters who die in the line of duty; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

*** Section 1.** AS 39 is amended by adding a new chapter to read:

Chapter 60. Dependent Survivors of Police Officers and Firefighters.

Sec. 39.60.005. Police officer and firefighter survivors' health insurance premiums. The state and the municipalities shall pay health insurance premiums for the surviving dependents of police officers and firefighters eligible under this chapter.

Sec. 39.60.010. Police officer and firefighter survivors' fund established.

(a) The police officer and firefighter survivors' fund is established in the general fund for the purpose of paying health insurance premiums for an eligible surviving spouse or dependent child of a police officer or a firefighter. The department may make premium payments from the fund to the health insurance provider for the former

1 employer of the deceased police officer or firefighter.

2 (b) The fund consists of donations and appropriations designated for state
3 employees or employees of a small municipality. The department shall create two
4 separate accounts in the fund, one account for state employees and a separate account
5 for employees of a small municipality.

6 (c) The legislature may appropriate money to the fund. Money in the fund
7 does not lapse.

8 (d) Money appropriated to the fund may be spent for purposes of the fund
9 without further appropriation.

10 (e) Nothing in this section creates a dedicated fund.

11 **Sec. 39.60.020. Powers and duties of the commissioner.** (a) Annually, not
12 later than June 30, the commissioner shall determine the amount of money sufficient
13 to pay premiums under AS 39.60.030 and the associated administrative costs.

14 (b) The commissioner shall adopt regulations to implement this chapter.

15 **Sec. 39.60.030. Payment authorized.** The commissioner may use money in
16 the state account of the fund to pay health insurance premiums for a surviving
17 dependent of a state employee who is eligible under AS 39.60.040 and to pay the
18 department's costs associated with administering the fund. The commissioner may use
19 money in the small municipality account of the fund to pay 50 percent of the premium
20 for a surviving dependent of an employee of a small municipality eligible under
21 AS 39.60.040.

22 **Sec. 39.60.040. Eligibility of surviving dependents of police officers and**
23 **firefighters for health insurance premiums.** (a) A surviving dependent of a
24 deceased police officer or firefighter may apply to the commissioner for payment of
25 health insurance premiums for a surviving dependent under AS 39.60.030. Not later
26 than 30 days after receiving the application, the commissioner shall determine whether
27 the surviving dependent is eligible under (b) of this section.

28 (b) A person who is a surviving dependent of an employee who was a police
29 officer or firefighter is eligible for premium payments under (a) of this section if

30 (1) at the time of death, the employee was a full-time employee of the
31 state or a municipality;

(2) at the time of death, the surviving dependent was receiving employer-sponsored health insurance benefits;

(3) the proximate cause of the employee's death is a bodily injury sustained or a hazard undergone while in the performance and within the scope of the employee's duties, as determined by the commissioner; and

(4) the injury or hazard is not the proximate result of wilful negligence by the employee.

(c) A surviving spouse becomes ineligible for premium payments under this section on the earlier of the date the surviving spouse

(1) becomes eligible to receive a major medical insurance coverage benefit by other means; or

(2) reaches 65 years of age.

(d) Except for a child who is totally and permanently disabled, a child who survives the employee becomes ineligible for premium payments under this section on the earlier of the date the surviving dependent child

(1) becomes eligible to receive a major medical insurance coverage benefit by other means; or

(2) reaches 26 years of age.

(e) If a person is determined eligible for premiums under this section, the commissioner shall pay the premium for the level of health care coverage existing at the time of death beginning the first month following the date the surviving dependent applied for fund payments and ending the first month following the date the surviving dependent becomes ineligible under (c) or (d) of this section. Payment of premiums shall be made to the applicable employer health insurance provider.

Sec. 39.60.050. Municipal contribution. A municipality shall pay premiums for the eligible dependent of a municipal employee as follows:

(1) a municipality with a population of 10,000 or more shall pay the full premium;

(2) a small municipality shall pay 50 percent of the premium, and the balance shall be paid from available funds in the municipal account created in AS 39.60.010(b).

Sec. 39.60.190. Definitions. In this chapter,

(1) "child" means a biological child, adopted child, or stepchild of an employee;

(2) "commissioner" means the commissioner of public safety or the commissioner's designee;

(3) "department" means the Department of Public Safety;

(4) "dependent" means a surviving spouse or child of an employee;

(5) "firefighter" means an employee of the state or a municipality employed to perform fire suppression services;

(6) "fund" means the police officer and firefighter survivors' fund established in AS 39.60.010;

(7) "police officer" has the meaning given in AS 18.65.290;

(8) "small municipality" means a municipality with a population of less than 10,000;

(9) "surviving spouse" means the spouse of an employee who was married to an employee at the time of the employee's death.

*** Sec. 2.** AS 44.41.020 is amended by adding a new subsection to read:

(g) The Department of Public Safety shall manage and administer the police officer and firefighter survivors' fund established in AS 39.60.010 in cooperation with the Department of Administration. The Department of Public Safety shall establish standardized procedures and forms for use in administering the police officer and firefighter survivors' fund.

*** Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: REGULATIONS. The commissioner of public safety may adopt regulations necessary to implement secs. 1 and 2 of this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of secs. 1 and 2 of this Act.

*** Sec. 4.** Section 3 of this Act takes effect immediately under AS 01.10.070(c).

*** Sec. 5.** Except as provided in sec. 4 of this Act, this Act takes effect July 1, 2017.