

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: 2/17/17

Referred: Rules

Sponsor(s): REPRESENTATIVES JOSEPHSON, Kawasaki, Kito, Tuck, Wool, LeDoux, Grenn, Westlake, Kopp, Gara, Guttenberg, Millett, Drummond

A BILL

FOR AN ACT ENTITLED

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

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

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

6 **Chapter 60. Dependent Survivors of Peace Officers and Firefighters.**

7 **Sec. 39.60.005. Peace officer and firefighter survivors' medical insurance**
8 **premiums.** The state and the municipalities shall pay medical insurance premiums for
9 the surviving dependents of peace officers and firefighters eligible under this chapter.

10 **Sec. 39.60.010. Peace officer and firefighter survivors' fund established.** (a)
11 The peace officer and firefighter survivors' fund is established in the general fund for
12 the purpose of paying medical insurance premiums for an eligible surviving spouse or
13 dependent child of a peace officer or a firefighter. The department may make premium
14 payments from the fund to the medical insurance provider for the former employer of

1 the deceased peace officer or firefighter.

2 (b) The fund consists of donations and other money appropriated to the fund.

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

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

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

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

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

12 **Sec. 39.60.030. Payment authorized.** The commissioner may use money in
13 the fund to pay medical insurance premiums for a surviving dependent of a state
14 employee who is eligible under AS 39.60.040, 50 percent of the premium for a
15 surviving dependent of an employee of a small municipality eligible under
16 AS 39.60.040, and the department's costs associated with administering the fund.

17 **Sec. 39.60.040. Eligibility of surviving dependents of peace officers and**
18 **firefighters for medical insurance premiums.** (a) A surviving dependent of a
19 deceased peace officer or firefighter may apply to the commissioner for payment of
20 medical insurance premiums for a surviving dependent under AS 39.60.030. Not later
21 than 30 days after receiving the application, the commissioner shall determine whether
22 the surviving dependent is eligible under (b) of this section.

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

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

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

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

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

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

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

7 (2) is eligible for Medicare.

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

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

13 (2) reaches 26 years of age.

14 (e) The amount of a premium payable under this section must be based on the
15 level of medical insurance benefits the deceased employee was receiving at the time of
16 the employee's death. Payment of premiums shall be made to the applicable employer-
17 sponsored medical insurance provider as follows:

18 (1) the commissioner shall pay

19 (A) 100 percent for an eligible surviving dependent of a
20 deceased state employee;

21 (B) 50 percent for an eligible surviving dependent of a
22 deceased employee of a small municipality;

23 (2) a large municipality shall pay 100 percent for an eligible surviving
24 dependent of a deceased employee of that municipality; and

25 (3) A small municipality shall pay 50 percent for an eligible surviving
26 dependent of a deceased employee of that small municipality.

27 **Sec. 39.60.190. Definitions.** In this chapter,

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

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

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

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

3 (5) "firefighter" means an employee occupying a position as a
4 firefighter or fire chief;

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

7 (7) "large municipality" means a municipality with a population of
8 10,000 or more according to the latest figures of the United States Bureau of the
9 Census;

10 (8) "peace officer" means an employee occupying a position as a peace
11 officer, chief of police, regional public safety officer, correctional officer, correctional
12 superintendent, or probation officer;

13 (9) "small municipality" means a municipality with a population of
14 less than 10,000 according to the latest figures of the United States Bureau of the
15 Census;

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

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

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

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

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

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

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