

CS FOR SENATE BILL NO. 48(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered: 3/10/17

Referred: Finance

Sponsor(s): SENATORS COGHILL, Giessel, Stevens, Micciche, Gardner, Hughes, Begich, Olson, Wilson, Meyer, Kelly, Bishop

A BILL

FOR AN ACT ENTITLED

1 **"An Act creating a fund in the Department of Public Safety; providing for payment of**
2 **certain major medical insurance premiums for surviving dependents of certain peace**
3 **officers 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. Peace Officer and Firefighter Survivors' Fund.**

7 **Sec. 39.60.010. Peace officer and firefighter survivors' fund established.** (a)

8 The peace officer and firefighter survivors' fund is established in the general fund for
9 the purpose of paying major medical insurance premiums for an eligible surviving
10 spouse or dependent child of a peace officer or a firefighter. The department may
11 make premium payments from the fund to the major medical insurance provider for
12 the former employer of the deceased peace officer or firefighter.

13 (b) The department shall create the following two separate accounts in the
14 fund:

1 (1) a state employee survivor account that consists of

2 (A) appropriations to the account;

3 (B) donations to the account; and

4 (2) a municipal employee survivor account that consists of

5 (A) municipal contributions under AS 39.60.060;

6 (B) appropriations to the account; and

7 (C) donations to the account.

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

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

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

13 **Sec. 39.60.020. Powers and duties of the commissioner.** (a) Annually, not
14 later than December 15, the commissioner shall determine the amount of money
15 sufficient to pay premiums under AS 39.60.030 and the associated administrative
16 costs.

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

18 **Sec. 39.60.030. Payment authorized.** The commissioner may use money in
19 the fund to pay major medical insurance premiums for a surviving dependent who is
20 eligible under AS 39.60.040 and to pay the department's costs associated with
21 administering the fund. The state employee survivor account and the municipal
22 employee survivor account shall be used to pay premiums for the respective surviving
23 dependents.

24 **Sec. 39.60.040. Eligibility of surviving dependents of peace officers and**
25 **firefighters for major medical insurance premiums.** (a) A surviving dependent of a
26 deceased peace officer or firefighter may apply to the commissioner for payment of
27 major medical insurance premiums for a surviving dependent under AS 39.60.030.
28 Within the first 30 days after the death of the peace officer or firefighter, the surviving
29 dependent is presumed to be eligible to receive the premium payment. Not later than
30 30 days after receiving the application, the commissioner shall determine whether the
31 surviving dependent is eligible under (b) of this section. If the commissioner

1 determines the surviving dependent is eligible under (b) of this section, the
 2 commissioner shall thereafter determine annually, not later than 30 days before the
 3 anniversary of the employee's death, whether the surviving dependent has become
 4 ineligible under (c) or (d) of this section or AS 39.60.060(b). The commissioner may
 5 require a surviving dependent to provide information relevant to a determination under
 6 this subsection.

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

9 (1) on the date of the employee's death, the employee was employed
 10 by the state or a municipality that has elected to participate under AS 39.60.050, in a
 11 permanent, full-time position for which the state or municipality paid or expected to
 12 pay the employee for 12 months each year;

13 (2) on the date of the employee's death, the surviving dependent was
 14 eligible for benefits under the employee's employer-sponsored major medical
 15 insurance coverage;

16 (3) the proximate cause of the employee's death was a bodily injury
 17 sustained or a hazard undergone while in the performance and within the scope of the
 18 employee's duties; and

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

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

23 (1) has received the premium payments for 10 years;

24 (2) becomes eligible to receive major medical insurance coverage by
 25 other means; or

26 (3) reaches 65 years of age.

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

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

1 (2) reaches 26 years of age.

2 (e) Subject to AS 39.60.060(b), the commissioner shall pay the premium for
3 the level of major medical insurance coverage existing on the date of the employee's
4 death, beginning the first day of the month following the application process and
5 continuing until the first day of the month following the date the commissioner
6 determines the surviving dependent is ineligible under (c) or (d) of this section.
7 Payment of premiums shall be made to the applicable employer major medical
8 insurance provider.

9 **Sec. 39.60.050. Municipal election to participate in peace officer and**
10 **firefighter survivors' fund.** (a) A municipality may elect to participate in the fund by
11 entering into an agreement with the commissioner that is consistent with
12 AS 39.60.070. If a municipality elects to participate in the fund, the commissioner
13 shall determine the amount and frequency of the municipality's required contributions
14 to the fund based on the anticipated cost of the municipality's participation, including
15 the department's cost of administering the agreement under this subsection.

16 (b) The commissioner shall administer agreements entered into under (a) of
17 this section.

18 (c) A surviving dependent of a peace officer or firefighter who died while
19 employed by a municipality is not eligible for payments from the fund unless the
20 municipality elects to participate in the fund and is in compliance with an agreement
21 entered into under (a) of this section.

22 **Sec. 39.60.060. Eligibility of municipal peace officers and firefighters.** (a)
23 Notwithstanding AS 39.60.050(c), and subject to AS 39.60.040(b), the commissioner
24 may determine that a surviving dependent of a peace officer or firefighter who was
25 employed by a municipality is eligible for premium payments under AS 39.60.040(a),
26 if the municipality elects to participate in the fund and is in compliance with the terms
27 of an agreement entered into under AS 39.60.050(a).

28 (b) If a municipality enters into an agreement under AS 39.60.050(a) and fails
29 to meet a requirement of that agreement, including a requirement under AS 39.60.070,
30 the commissioner may determine that a surviving dependent of a peace officer or
31 firefighter employed by a municipality who would otherwise be eligible for payments

1 from the fund under AS 39.60.040 is ineligible and deny payment from the fund until
2 the commissioner determines all requirements of the agreement are satisfied.

3 **Sec. 39.60.070. Terms of agreement by municipality to participate in fund.**

4 An agreement under AS 39.60.050(a) for a municipality to participate in the fund must
5 require that the municipality

6 (1) contribute to the fund as determined by the commissioner under
7 AS 39.60.050(a);

8 (2) is current with contributions required under this section; and

9 (3) complies with applicable regulations adopted by the commissioner.

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

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

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

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

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

17 (5) "firefighter" means an employee of the state or a municipality
18 whose primary duty is to perform fire suppression services;

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

21 (7) "peace officer" means

22 (A) an employee of the state or a municipal police department
23 with the authority to arrest and issue citations; detain a person taken into
24 custody until that person can be arraigned before a judge or magistrate;
25 conduct investigations of violations of and enforce criminal laws, regulations,
26 and traffic laws; search with or without a warrant persons, dwellings, and other
27 forms of property for evidence of a crime; and take other action consistent with
28 exercise of these enumerated powers when necessary to maintain the public
29 peace;

30 (B) an officer or employee of the Department of Transportation
31 and Public Facilities who is stationed at an international airport and has been

1 designated to have the general police powers authorized under
2 AS 02.15.230(a);

3 (C) a University of Alaska public safety officer with general
4 police powers authorized under AS 14.40.043;

5 (D) a person appointed by the commissioner of corrections or
6 employed by a correctional facility in this state to perform the duties of a
7 probation officer under AS 33.05;

8 (E) a person appointed by the commissioner of corrections,
9 whose primary duty under AS 33.30 is to provide custody, care, security,
10 control, and discipline of persons charged or convicted of offenses against the
11 state or held under authority of state law;

12 (F) a person employed in a correctional facility in the state,
13 whose primary duty is to provide custody, care, security, control, and
14 discipline of persons charged or convicted of offenses or held under authority
15 of law;

16 (8) "surviving spouse" means a person who was married to an
17 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.