

CS FOR HOUSE BILL NO. 23(FIN) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Amended: 3/13/17

Offered: 2/17/17

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

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; relating to contributions from permanent fund
4 dividends to the peace officer and firefighter survivors' fund; and providing for an
5 effective date."

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

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

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

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

12 **Sec. 39.60.010. Peace officer and firefighter survivors' fund established. (a)**
13 The peace officer and firefighter survivors' fund is established in the general fund for

1 the purpose of paying medical insurance premiums for an eligible surviving spouse or
 2 dependent child of a peace officer or a firefighter. The department may make premium
 3 payments from the fund to the medical insurance provider for the former employer of
 4 the deceased peace officer or firefighter.

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

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 fund to pay medical insurance premiums for a surviving dependent of a state
 17 employee who is eligible under AS 39.60.040, 50 percent of the premium for a
 18 surviving dependent of an employee of a small municipality eligible under
 19 AS 39.60.040, and the department's costs associated with administering the fund.

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

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

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

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

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

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

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

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

10 (2) is eligible for Medicare.

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

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

16 (2) reaches 26 years of age.

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

21 (1) the commissioner shall pay

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

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

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

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

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

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

1 employee;

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

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

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

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

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

10 (7) "large municipality" means a municipality with a population of
11 10,000 or more according to the latest figures of the United States Bureau of the
12 Census;

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

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

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

21 * **Sec. 2.** AS 43.23.062(a) is amended to read:

22 (a) Notwithstanding AS 43.23.069, the Department of Revenue shall prepare
23 the electronic Alaska permanent fund dividend application to allow an applicant who
24 files electronically to direct that money be subtracted from the dividend payment and
25 contributed **to the peace officer and firefighter survivors' fund or** to one or more of
26 the educational organizations, community foundations, or charitable organizations that
27 appear on the contribution list contained in the application. A contribution **to the**
28 **peace officer and firefighter survivors' fund or** to an organization may be \$25, \$50,
29 \$75, \$100, or more, in increments of \$50, up to the total amount of the permanent fund
30 dividend that the applicant is entitled to receive. If the total amount of contributions
31 elected by an applicant exceeds the amount of the permanent fund dividend that the

1 applicant is entitled to receive, contributions shall be deducted from the dividend in
 2 the order of priority elected by the applicant on the application until the entire amount
 3 of the dividend that the applicant is entitled to receive is allocated for contribution.
 4 The electronic dividend application form must include notice that seven percent of the
 5 money contributed will be used for administrative costs incurred in implementing this
 6 section, and money from the dividend fund will not be used for that purpose.

7 * **Sec. 3.** AS 43.23.062(b) is amended to read:

8 (b) The department shall list each educational organization, community
 9 foundation, or charitable organization eligible under (c) and (d) of this section, [AND]
 10 each university campus that applies under (l) of this section, **and the peace officer**
 11 **and firefighter survivors' fund** on the contribution list. The department shall
 12 maintain an electronic database for the contribution list that is accessible to the public
 13 and that permits searches by organization **or fund** name, geographic location, and
 14 type. The department shall provide a statement of the contributions made by an
 15 individual that is suitable for federal income tax purposes to each individual who
 16 elects to contribute under (a) of this section.

17 * **Sec. 4.** AS 43.23.062(m) is amended to read:

18 (m) In addition to the application fee in (f) of this section, the department shall
 19 withhold a coordination fee from each organization, foundation, or university campus
 20 that receives contributions under this section in the immediately preceding dividend
 21 year. The coordination fee for an organization, foundation, or university campus that
 22 receives contributions under this section shall be seven percent of the amount of
 23 contributions reported by the department under (j) of this section for the organization,
 24 foundation, or university campus for the immediately preceding dividend year. The
 25 coordination fee shall be separately accounted for under AS 37.05.142 and shall be
 26 accounted for separately from the application fee collected under (f) of this section.
 27 The annual estimated balance in the account maintained under AS 37.05.142 for
 28 coordination fees collected under this subsection may be appropriated for costs of
 29 administering this section. **The department may not withhold a coordination fee**
 30 **for contributions to the peace officer and firefighter survivors' fund.**

31 * **Sec. 5.** AS 43.23.062(n) is amended to read:

1 (n) In this section,

2 **(1)** "community foundation" means a nonprofit, autonomous,
 3 philanthropic institution that is organized and operated primarily as a permanent
 4 collection of endowed funds for the long-term benefit of a defined geographic area
 5 within one or more municipalities, that has a long-term goal of increasing its
 6 permanent unrestricted charitable endowment to benefit the area served, that primarily
 7 provides benefits by making grants and may also provide other forms of charitable
 8 services, that makes grants that are not limited to providing one type of benefit or to
 9 serving one population segment, and that makes grants to multiple grantees;

10 **(2) "peace officer and firefighter survivors' fund" has the meaning**
 11 **given in AS 39.60.010(a).**

12 * **Sec. 6.** AS 44.41.020 is amended by adding a new subsection to read:

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

18 * **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to
 19 read:

20 TRANSITION: REGULATIONS. The commissioner of public safety may adopt
 21 regulations necessary to implement secs. 1 and 6 of this Act. The regulations take effect under
 22 AS 44.62 (Administrative Procedure Act), but not before the effective date of secs. 1 and 6 of
 23 this Act.

24 * **Sec. 8.** Section 7 of this Act takes effect immediately under AS 01.10.070(c).

25 * **Sec. 9.** Except as provided in sec. 8 of this Act, this Act takes effect July 1, 2017.