



2013 SENATE BILL 203

May 30, 2013 - Introduced by Senators LASEE, JAUCH, L. TAYLOR, CARPENTER, GUDEX, T. CULLEN and LASSA, cosponsored by Representatives BIES, BERNIER, BROOKS, SPIROS, TITTL, KLEEFISCH, KAHL, BEWLEY, A. OTT, SCHRAA, VRUWINK, OHNSTAD, MURPHY, SINICKI, WACHS and MARKLEIN. Referred to Committee on Insurance and Housing.

1 **AN ACT** *to repeal* 66.0137 (4m) (a); *to renumber and amend* 66.0137 (1) (ae);
2 *to amend* 20.835 (1) (db), 66.0137 (3), 66.0137 (5) (c) 1., 66.0137 (5) (c) 2.,
3 66.0137 (5) (c) 3. (intro.), 66.0137 (5) (c) 3. b., 79.01 (2d) and 79.035 (5); and *to*
4 **create** 16.14, 20.505 (1) (cr), 66.0137 (1) (af), 66.0137 (1) (ag), 66.0137 (1) (am),
5 66.0137 (1) (ap), 66.0137 (1) (c), 66.0137 (5) (c) 1m., 66.0137 (5) (c) 4. and 79.035
6 (6) of the statutes; **relating to:** requiring the payment of health insurance
7 premiums, and establishing a loan program, for survivors of a law enforcement
8 officer, emergency medical technician, or fire fighter who dies, or has died, in
9 the line of duty and making appropriations.

Analysis by the Legislative Reference Bureau

Subject to a number of limitations, current law requires a city, village, or town (municipality) that pays health insurance premiums for its employees who are fire fighters to pay such premiums for the surviving spouse and dependent children of a fire fighter who dies, or has died, in the line of duty. This general current law requirement does not apply to a surviving spouse who remarries or reaches the age of 65, or to a dependent child who reaches the age of 18 and is not a full-time high school student. Current law does require premium payments to be made for a

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dependent child who is a full-time or part-time student in an accredited college or university until the close of the calendar year in which the individual reaches the age of 26. This bill does not require such premium payments to be made after such an individual reaches the age of 26.

The bill requires a municipality or county (political subdivision) that pays health insurance premiums for its employees who are law enforcement officers or emergency medical technicians (EMTs) to pay such premiums for the surviving spouse and dependent children of a law enforcement officer or EMT who dies, or has died, in the line of duty. In addition, the bill requires the state to reimburse political subdivisions for premiums paid to cover the surviving spouses and dependents of fallen fire fighters, law enforcement officers, and EMTs that were paid by the political subdivisions and that were not otherwise required to be paid under an employment-related benefit provided to the fire fighter, law enforcement officer, or EMT. The bill establishes a process whereby political subdivisions may seek reimbursement of the payment of premiums from the Department of Administration (DOA). The state is to pay these health insurance premiums only after any sick leave credits that may be used for the purchase of health insurance have been exhausted.

The bill further requires DOA to establish a loan program for surviving spouses of law enforcement officers and fire fighters who have died in the line of duty. The loan program must provide for the payment of a loan to a surviving spouse in an amount equal to the salary that would have been paid his or her deceased spouse had he or she not died in the line of duty. The loan must be disbursed to coincide with the pay period that applied to the deceased spouse, must be secured by the proceeds of any life insurance policy that covered the deceased spouse, and must come due when a surviving spouse receives the proceeds from the life insurance policy that covered his or her deceased spouse. No loan may be made for any period after the proceeds of a life insurance policy have been disbursed to the surviving spouse. To qualify for a loan, a surviving spouse must apply for the loan on a form prepared by DOA; provide all documentation required by DOA to verify that his or her spouse died in the line of duty; provide all documentation required by DOA to verify the salary of the deceased spouse; and enter into an agreement with DOA that any loan must be secured by the proceeds of a life insurance policy that covered his or her deceased spouse.

Under the bill, the amounts that DOA disburses for premiums, reimbursements, and loans for surviving spouses of law enforcement officers, EMTs, and fire fighters employed by a political subdivision are paid from the county and municipal aid account (shared revenue), and the total amount of shared revenue payments is decreased by the amounts disbursed by DOA.

The bill first applies, retroactively, to a law enforcement officer, EMT, or fire fighter who has died in the line of duty before the effective date of the bill, but only with respect to the payment of health insurance premiums that come due on or after the effective date of this bill.

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For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 16.14 of the statutes is created to read:

2 **16.14 Paying health insurance premiums, and establishing a loan**
3 **program, for dependents of law enforcement officers or fire fighters who**
4 **die in line of duty. (1)** In this section:

5 (a) “Dies in the line of duty” means a death that occurs, or occurred, as a direct
6 and proximate result of one or more of the following, sustained by a law enforcement
7 officer or fire fighter while he or she was engaged in a line of duty activity, or that
8 arose out of and as a result of such an individual’s performance of a line of duty
9 activity:

- 10 1. A personal injury.
11 2. The contraction of an infectious disease.
12 3. Exposure to hazardous materials or conditions.

13 (ae) “Fire fighter” means any individual employed by the state, including forest
14 rangers, foresters, and pilots, whose principal duties include fire fighting or forest
15 fire control.

16 (b) “Law enforcement officer” means any person employed by the state for the
17 purpose of detecting and preventing crime and enforcing laws and who is authorized
18 to make arrests for violations of the laws that the person is employed to enforce or
19 any person who is a correctional officer, as defined in s. 301.28 (1).

20 (c) “Line of duty activity” means any employment-related action taken by a law
21 enforcement officer or fire fighter that is required or authorized by law, rule,

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1 regulation, or condition of employment and for which compensation is provided by
2 his or her employer or would have been eligible to have been provided by the
3 employer if the law enforcement officer or fire fighter had been on duty when he or
4 she took the action in question.

5 (d) "Political subdivision" has the meaning given in s. 66.0137 (1) (c).

6 (2) (a) Except as provided in pars. (b) to (d), if a law enforcement officer or fire
7 fighter dies in the line of duty the department shall pay the premiums for hospital,
8 surgical, and other health insurance for the surviving spouse and dependent
9 children of the law enforcement officer or fire fighter. The department shall either
10 reimburse the surviving spouse and dependent children for the payment of the
11 premiums or shall pay the premiums directly to the department of employee trust
12 funds for health care coverage under subch. IV of ch. 40, whichever the department
13 considers appropriate. Premiums shall be paid from the appropriation under s.
14 20.505 (1) (cr).

15 (b) The department shall pay the premiums for the surviving spouse only until
16 the spouse remarries or reaches the age of 65, whichever occurs first.

17 (c) The department shall pay the premiums for a surviving dependent child
18 only until he or she reaches the age of 18 unless any of the following applies:

19 1. The individual is a full-time student in a secondary school.

20 2. The individual is a full-time or part-time student in an accredited college
21 or university, except that this subdivision does not apply to such an individual after
22 the individual reaches the age of 26.

23 (d) The department shall pay the premiums for the surviving spouse and
24 dependent children of the law enforcement officer or fire fighter only after the
25 exhaustion of any credits under ss. 40.05 (4) (b) and 40.95 (1).

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1 **(3)** The department shall reimburse any political subdivision for health
2 insurance premiums paid by the political subdivision under s. 66.0137 (5) (c) 1. and
3 1m., provided the political subdivision submits the form and certification under s.
4 66.0137 (5) (c) 4. The reimbursement shall be paid from the appropriation under s.
5 20.835 (1) (db).

6 **(4)** The department shall establish a loan program for surviving spouses of law
7 enforcement officers or fire fighters who have died in the line of duty and for
8 surviving spouses identified in s. 66.0137 (5) (c) 1. or 1m. The loan program shall
9 provide for the payment of a loan to a surviving spouse in an amount equal to the
10 salary that would have been paid his or her deceased spouse had he or she not died
11 in the line of duty. The loan shall be disbursed to coincide with the pay period that
12 applied to the deceased spouse and shall be secured by the proceeds of any life
13 insurance policy that covered the deceased spouse. Loans made for surviving
14 spouses of law enforcement officers or fire fighters shall be paid from the
15 appropriation under s. 20.505 (1) (cr), and loans made for surviving spouses
16 identified in s. 66.0137 (5) (c) 1. or 1m. shall be paid from the appropriation under
17 s. 20.835 (1) (db). The repayment of loans shall be credited to the general fund as
18 general purpose revenue-earned. A loan shall come due when a surviving spouse
19 receives the proceeds from the life insurance policy that covered his or her deceased
20 spouse. No loan shall be made for any period after the proceeds of a life insurance
21 policy have been disbursed to the surviving spouse. To qualify for a loan under this
22 subsection, a surviving spouse shall do all of the following:

23 (a) Apply for the loan on a form prepared by the department.

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1 (b) Provide all documentation required by the department to verify that his or
2 her spouse was a law enforcement officer or fire fighter who died in the line of duty
3 or was an individual identified in s. 66.0137 (5) (c) 1. or 1m.

4 (c) Provide all documentation required by the department to verify the salary
5 of the deceased spouse.

6 (d) Enter into an agreement with the department that any loan made under
7 this subsection shall be secured by the proceeds of a life insurance policy that covered
8 his or her deceased spouse.

9 **SECTION 2.** 20.505 (1) (cr) of the statutes is created to read:

10 20.505 (1) (cr) *Payment of health insurance premiums and loans for law*
11 *enforcement officers or fire fighters who die in line of duty.* A sum sufficient to pay
12 the premiums and reimbursements and make loans for surviving spouses of law
13 enforcement officers or fire fighters under s. 16.14.

14 **SECTION 3.** 20.835 (1) (db) of the statutes is amended to read:

15 20.835 (1) (db) *County and municipal aid account.* A sum sufficient to make
16 payments to counties, towns, villages, and cities under s. 79.035, less the amount
17 paid from the appropriation under par. (r), and to pay the premiums and
18 reimbursements and make loans under s. 16.14 for surviving spouses identified in
19 s. 66.0137 (5) (c) 1. or 1m.

20 **SECTION 4.** 66.0137 (1) (ae) of the statutes is renumbered 66.0137 (1) (as) and
21 amended to read:

22 66.0137 (1) (as) “Local governmental unit” means a ~~municipality, county~~
23 political subdivision, school district (as enumerated in s. 67.01 (5)), sewerage district,
24 drainage district, and, without limitation because of enumeration, any other political
25 subdivision of the state.

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1 **SECTION 5.** 66.0137 (1) (af) of the statutes is created to read:

2 66.0137 (1) (af) “Dies in the line of duty” means a death that occurs, or occurred,
3 as a direct and proximate result of one or more of the following, sustained by a law
4 enforcement officer, emergency medical technician, or fire fighter while he or she was
5 engaged in a line of duty activity or that arose out of and as a result of such an
6 individual’s performance of a line of duty activity:

- 7 1. A personal injury.
- 8 2. The contraction of an infectious disease.
- 9 3. Exposure to hazardous materials or conditions.

10 **SECTION 6.** 66.0137 (1) (ag) of the statutes is created to read:

11 66.0137 (1) (ag) “Emergency medical technician” has the meaning given in s.
12 256.01 (5).

13 **SECTION 7.** 66.0137 (1) (am) of the statutes is created to read:

14 66.0137 (1) (am) “Law enforcement officer” means all of the following:

15 1. Any person employed by a political subdivision for the purpose of detecting
16 and preventing crime and enforcing laws or ordinances and who is authorized to
17 make arrests for violations of the laws or ordinances that the person is employed to
18 enforce.

19 2. Any jailer who, under the direction of a sheriff under s. 59.27 (1), keeps
20 persons in a county jail.

21 **SECTION 8.** 66.0137 (1) (ap) of the statutes is created to read:

22 66.0137 (1) (ap) “Line of duty activity” means any employment-related action
23 taken by a law enforcement officer, emergency medical technician, or fire fighter that
24 is required or authorized by law, rule, regulation, or condition of employment and for
25 which compensation is provided by his or her employing agency or would have been

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1 eligible to have been provided by the employing agency if the law enforcement officer,
2 emergency medical technician, or fire fighter had been on duty when he or she took
3 the action in question.

4 **SECTION 9.** 66.0137 (1) (c) of the statutes is created to read:

5 66.0137 (1) (c) "Political subdivision" means any municipality or county.

6 **SECTION 10.** 66.0137 (3) of the statutes is amended to read:

7 66.0137 (3) HEALTH INSURANCE FOR UNEMPLOYED PERSONS. Any ~~municipality or~~
8 ~~county~~ political subdivision may purchase health or dental insurance for
9 unemployed persons residing in the municipality or county who are not eligible for
10 medical assistance under s. 49.46, 49.468, 49.47, or 49.471 (4) (a) or (b).

11 **SECTION 11.** 66.0137 (4m) (a) of the statutes is repealed.

12 **SECTION 12.** 66.0137 (5) (c) 1. of the statutes is amended to read:

13 66.0137 (5) (c) 1. Except as provided in subds. 2. ~~and~~, 3., and 4., if a municipality
14 provides for the payment of premiums for hospital, surgical, and other health
15 insurance for its fire fighters, it shall continue to pay such premiums for the
16 surviving spouse and dependent children of ~~a~~ the fire fighter who dies in the line
17 of duty.

18 **SECTION 13.** 66.0137 (5) (c) 1m. of the statutes is created to read:

19 66.0137 (5) (c) 1m. Except as provided in subds. 2., 3., and 4., if a political
20 subdivision provides for the payment of premiums for hospital, surgical, and other
21 health insurance for its law enforcement officers or emergency medical technicians,
22 it shall continue to pay such premiums for the surviving spouse and dependent
23 children of the law enforcement officer or emergency medical technician who dies
24 while in the line of duty.

25 **SECTION 14.** 66.0137 (5) (c) 2. of the statutes is amended to read:

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1 66.0137 (5) (c) 2. A ~~municipality~~ political subdivision may not be required to
2 pay the premiums described in subd. 1. or 1m. for a surviving spouse upon the
3 remarriage of the surviving spouse or upon the surviving spouse reaching the age of
4 65.

5 **SECTION 15.** 66.0137 (5) (c) 3. (intro.) of the statutes is amended to read:

6 66.0137 (5) (c) 3. (intro.) An individual is not a dependent child for the purposes
7 of subd. 1. or 1m. after the individual reaches the age of 18 unless one of the following
8 applies:

9 **SECTION 16.** 66.0137 (5) (c) 3. b. of the statutes is amended to read:

10 66.0137 (5) (c) 3. b. The individual is a full-time or part-time student in an
11 accredited college or university, except that this subd. 3. b. does not apply to such an
12 individual after the ~~close of the calendar year in which the~~ individual reaches the age
13 of ~~27~~ 26.

14 **SECTION 17.** 66.0137 (5) (c) 4. of the statutes is created to read:

15 66.0137 (5) (c) 4. A political subdivision may seek reimbursement from the
16 department of administration under s. 16.14 (3) for the payment of any premiums
17 described in subd. 1. or 1m. that were paid by the political subdivision and that were
18 not otherwise required to be paid under an employment-related benefit provided to
19 the fire fighter, law enforcement officer, or emergency medical technician if the
20 political subdivision provides the department of administration with written
21 certification that the individual on whose behalf the premiums are being paid died
22 in the line of duty. The political subdivision shall seek reimbursement from the
23 department of administration, using a form provided by the department of
24 administration that specifies the premium amounts paid by the political subdivision
25 and the names, ages, and marital status of the individuals for whom the premiums

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1 were paid. The political subdivision shall also certify that the premiums could not
2 be paid under a different employment-related benefit that was provided to the fire
3 fighter, law enforcement officer, or emergency medical technician.

4 **SECTION 18.** 79.01 (2d) of the statutes is amended to read:

5 79.01 (2d) There is established an account in the general fund entitled the
6 "County and Municipal Aid Account." The total amount to be distributed in 2011 to
7 counties and municipalities from the county and municipal aid account is
8 \$824,825,715 and the total amount to be distributed to counties and municipalities
9 in 2012, and in each year thereafter, from the county and municipal aid account is
10 \$748,075,715, less the amounts paid under s. 16.14.

11 **SECTION 19.** 79.035 (5) of the statutes is amended to read:

12 79.035 (5) ~~For~~ Except as provided in sub. (6), for the distribution in 2013 and
13 subsequent years, each county and municipality shall receive a payment under this
14 section that is equal to the amount of the payment determined for the county or
15 municipality under this section for 2012.

16 **SECTION 20.** 79.035 (6) of the statutes is created to read:

17 79.035 (6) For the distribution in 2013 and subsequent years, each county and
18 municipality's payment under this section shall be reduced, in proportion to the
19 county's or municipality's share of total payments under this section, to reflect the
20 reduction in the county and municipal aid account as a result of payments made
21 under s. 16.14 for surviving spouses identified in s. 66.0137 (5) (c) 1. or 1m.

22 **SECTION 21. Initial applicability.**

23 (1) This act first applies, retroactively, to a law enforcement officer, emergency
24 medical technician, or fire fighter who has died in the line of duty before the effective

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1 date of this subsection, but only with respect to the payment of health insurance
2 premiums that come due on or after the effective date of this subsection.

3 (END)