



State of Wisconsin
2011 - 2012 LEGISLATURE



LRBs0277/3
MES/RAC/JK:wlj:jm

**ASSEMBLY SUBSTITUTE AMENDMENT 2,
TO 2011 SENATE BILL 18**

February 21, 2012 – Offered by Representative SPANBAUER.

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), 79.035 (3), 79.035 (4)
4 (a) and 79.035 (5); *to repeal and recreate* 20.835 (1) (db); and *to create* 16.14,
5 20.505 (1) (cr), 66.0137 (1) (af), 66.0137 (1) (am), 66.0137 (1) (ap), 66.0137 (1)
6 (c), 66.0137 (5) (c) 1m., 66.0137 (5) (c) 4., 66.0137 (5) (c) 5. and 79.035 (6) of the
7 statutes; **relating to:** requiring the payment of health insurance premiums,
8 and establishing a loan program, for survivors of a law enforcement officer or
9 fire fighter who dies, or has died, in 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 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 substitute amendment does not require such premium payments to be made after such an individual reaches the age of 26.

The substitute amendment requires a municipality or county (political subdivision) that pays health insurance premiums for its employees who are law enforcement officers to pay such premiums, for a maximum of five years, for the surviving spouse and dependent children of a law enforcement officer who dies, or has died, in the line of duty. The substitute amendment does not, however, apply the five-year maximum time for premium payments to the surviving spouse and dependent children of a local government fire fighter who falls in the line of duty. In addition, the substitute amendment requires the state to reimburse political subdivisions for premiums paid to cover the surviving spouses and dependents of fallen fire fighters and law enforcement officers 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 or law enforcement officer. The substitute amendment establishes a process whereby political subdivisions may seek reimbursement of the payment of premiums from the Department of Administration (DOA).

The substitute amendment also requires the state to pay health insurance premiums, for a maximum of five years, for the surviving spouse and dependent children of a law enforcement officer or fire fighter who was employed by the state and who dies, or has died, in the line of duty. 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 substitute amendment 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 substitute amendment, the amounts that DOA disburses for premiums, reimbursements, and loans for surviving spouses of law enforcement

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

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

1 to make arrests for violations of the laws that the person is employed to enforce or
2 any person who is a correctional officer, as defined in s. 301.28 (1).

3 (c) "Line of duty activity" means any employment-related action taken by a law
4 enforcement officer or fire fighter that is required or authorized by law, rule,
5 regulation, or condition of employment and for which compensation is provided by
6 his or her employer or would have been eligible to have been provided by the
7 employer if the law enforcement officer or fire fighter had been on duty when he or
8 she took the action in question.

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

10 **(2)** (a) Except as provided in pars. (b) to (d), if a law enforcement officer or fire
11 fighter dies in the line of duty the department shall pay the premiums for hospital,
12 surgical, and other health insurance for the surviving spouse and dependent
13 children of the law enforcement officer or fire fighter. The department shall either
14 reimburse the surviving spouse and dependent children for the payment of the
15 premiums or shall pay the premiums directly to the department of employee trust
16 funds for health care coverage under subch. IV of ch. 40, whichever the department
17 considers appropriate. Premiums shall be paid from the appropriation under s.
18 20.505 (1) (cr).

19 (b) The department shall pay the premiums for the surviving spouse only until
20 the spouse remarries or reaches the age of 65, or for the first 5 years after the
21 deceased spouse dies in the line of duty, whichever occurs first.

22 (c) Except as provided in par. (e), the department shall pay the premiums for
23 a surviving dependent child only until he or she reaches the age of 18 unless any of
24 the following applies:

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

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

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

7 (e) Notwithstanding the provisions of par. (c), the department may not pay the
8 premiums for a surviving dependent child for more than 5 years after his or her
9 parent dies in the line of duty.

10 **(3)** The department shall reimburse any political subdivision for health
11 insurance premiums paid by the political subdivision under s. 66.0137 (5) (c) 1. and
12 1m., provided the political subdivision submits the form and certification under s.
13 66.0137 (5) (c) 4. The reimbursement shall be paid from the appropriation under s.
14 20.835 (1) (db).

15 **(4)** The department shall establish a loan program for surviving spouses of law
16 enforcement officers or fire fighters who have died in the line of duty and for
17 surviving spouses identified in s. 66.0137 (5) (c) 1. or 1m. The loan program shall
18 provide for the payment of a loan to a surviving spouse in an amount equal to the
19 salary that would have been paid his or her deceased spouse had he or she not died
20 in the line of duty. The loan shall be disbursed to coincide with the pay period that
21 applied to the deceased spouse and shall be secured by the proceeds of any life
22 insurance policy that covered the deceased spouse. Loans made for surviving
23 spouses of law enforcement officers or fire fighters shall be paid from the
24 appropriation under s. 20.505 (1) (cr), and loans made for surviving spouses
25 identified in s. 66.0137 (5) (c) 1. or 1m. shall be paid from the appropriation under

1 s. 20.835 (1) (db). The repayment of loans shall be credited to the general fund as
2 general purpose revenue-earned. A loan shall come due when a surviving spouse
3 receives the proceeds from the life insurance policy that covered his or her deceased
4 spouse. No loan shall be made for any period after the proceeds of a life insurance
5 policy have been disbursed to the surviving spouse. To qualify for a loan under this
6 subsection, a surviving spouse shall do all of the following:

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

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

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

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

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

17 20.505 (1) (cr) *Payment of health insurance premiums and loans for law*
18 *enforcement officers or fire fighters who die in line of duty.* A sum sufficient to pay
19 the premiums and reimbursements and make loans for surviving spouses of law
20 enforcement officers or fire fighters under s. 16.14.

21 **SECTION 3.** 20.835 (1) (db) of the statutes, as affected by 2011 Wisconsin Act 32,
22 section 770f, is amended to read:

23 20.835 (1) (db) *County and municipal aid account.* A sum sufficient to make
24 payments to counties, towns, villages, and cities under s. 79.035, less the amount
25 paid from the appropriations under pars. (q) and (r), and to pay the premiums and

1 reimbursements and make loans under s. 16.14 for surviving spouses identified in
2 s. 66.0137 (5) (c) 1. or 1m.

3 **SECTION 4.** 20.835 (1) (db) of the statutes, as affected by 2011 Wisconsin Act 32,
4 section 770g, and 2011 Wisconsin Act ... (this act), is repealed and recreated to read:

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

10 **SECTION 5.** 66.0137 (1) (ae) of the statutes is renumbered 66.0137 (1) (as) and
11 amended to read:

12 66.0137 (1) (as) “Local governmental unit” means a ~~municipality, county~~
13 political subdivision, school district (as enumerated in s. 67.01 (5)), sewerage district,
14 drainage district, and, without limitation because of enumeration, any other political
15 subdivision of the state.

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

17 66.0137 (1) (af) “Dies in the line of duty” means a death that occurs, or occurred,
18 as a direct and proximate result of one or more of the following, sustained by a law
19 enforcement officer or fire fighter while he or she was engaged in a line of duty
20 activity or that arose out of and as a result of such an individual’s performance of a
21 line of duty activity:

- 22 1. A personal injury.
- 23 2. The contraction of an infectious disease.
- 24 3. Exposure to hazardous materials or conditions.

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

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

2 1. Any person employed by a political subdivision for the purpose of detecting
3 and preventing crime and enforcing laws or ordinances and who is authorized to
4 make arrests for violations of the laws or ordinances that the person is employed to
5 enforce.

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

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

9 66.0137 (1) (ap) “Line of duty activity” means any employment-related action
10 taken by a law enforcement officer or fire fighter that is required or authorized by
11 law, rule, regulation, or condition of employment and for which compensation is
12 provided by his or her employing agency or would have been eligible to have been
13 provided by the employing agency if the law enforcement officer or fire fighter had
14 been on duty when he or she took the action in question.

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

16 66.0137 (1) (c) “Political subdivision” means any municipality or county.

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

18 66.0137 (3) HEALTH INSURANCE FOR UNEMPLOYED PERSONS. Any ~~municipality or~~
19 ~~county~~ political subdivision may purchase health or dental insurance for
20 unemployed persons residing in the municipality or county who are not eligible for
21 medical assistance under s. 49.46, 49.468, 49.47, or 49.471 (4) (a) or (b).

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

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

24 66.0137 (5) (c) 1. Except as provided in subds. 2. ~~and~~, 3., and 4., if a municipality
25 provides for the payment of premiums for hospital, surgical, and other health

1 insurance for its fire fighters, it shall continue to pay such premiums for the
2 surviving spouse and dependent children of -a- the fire fighter who dies in the line
3 of duty.

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

5 66.0137 (5) (c) 1m. Except as provided in subds. 2., 3., 4., and 5., if a political
6 subdivision provides for the payment of premiums for hospital, surgical, and other
7 health insurance for its law enforcement officers, it shall continue to pay such
8 premiums for the surviving spouse and dependent children of the law enforcement
9 officer who dies while in the line of duty.

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

11 66.0137 (5) (c) 2. A ~~municipality~~ political subdivision may not be required to
12 pay the premiums described in subd. 1. or 1m. for a surviving spouse upon the
13 remarriage of the surviving spouse or upon the surviving spouse reaching the age of
14 65.

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

16 66.0137 (5) (c) 3. (intro.) An individual is not a dependent child for the purposes
17 of subd. 1. or 1m. after the individual reaches the age of 18 unless one of the following
18 applies:

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

20 66.0137 (5) (c) 3. b. The individual is a full-time or part-time student in an
21 accredited college or university, except that this subd. 3. b. does not apply to such an
22 individual after the ~~close of the calendar year in which the individual reaches the age~~
23 of ~~27~~ 26.

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

1 66.0137 (5) (c) 4. A political subdivision may seek reimbursement from the
2 department of administration under s. 16.14 (3) for the payment of any premiums
3 described in subd. 1. or 1m. that were paid by the political subdivision and that were
4 not otherwise required to be paid under an employment-related benefit provided to
5 the fire fighter or law enforcement officer if the political subdivision provides the
6 department of administration with written certification that the individual on whose
7 behalf the premiums are being paid died in the line of duty. The political subdivision
8 shall seek reimbursement from the department of administration, using a form
9 provided by the department of administration that specifies the premium amounts
10 paid by the political subdivision and the names, ages, and marital status of the
11 individuals for whom the premiums were paid. The political subdivision shall also
12 certify that the premiums could not be paid under a different employment-related
13 benefit that was provided to the fire fighter or law enforcement officer.

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

15 66.0137 (5) (c) 5. Notwithstanding the provisions of subd. 1m., 2., or 3., a
16 political subdivision may not pay the premiums for a surviving spouse or dependent
17 child for more than 5 years after the deceased spouse or parent, who was a law
18 enforcement officer, dies in the line of duty.

19 **SECTION 19.** 79.01 (2d) of the statutes, as affected by 2011 Wisconsin Act 32,
20 is amended to read:

21 79.01 (2d) There is established an account in the general fund entitled the
22 “County and Municipal Aid Account.” The total amount to be distributed in 2011 to
23 counties and municipalities from the county and municipal aid account is
24 \$824,825,715, less the amounts paid under s. 16.14, and the total amount to be
25 distributed to counties and municipalities in 2012, and in each year thereafter, from

1 the county and municipal aid account is \$748,075,715, less the amounts paid under
2 s. 16.14.

3 **SECTION 20.** 79.035 (3) of the statutes, as affected by 2011 Wisconsin Act 32,
4 is amended to read:

5 79.035 (3) ~~For~~ Except as provided in sub. (6), for the distribution in 2011, each
6 county and municipality shall receive a payment under this section that is equal to
7 the amount of the payment determined for the county or municipality under s. 79.02
8 (4), 2009 stats., in 2010.

9 **SECTION 21.** 79.035 (4) (a) of the statutes, as created by 2011 Wisconsin Act 32,
10 is amended to read:

11 79.035 (4) (a) ~~For~~ Except as provided in sub. (6), for the distribution in 2012,
12 the total amount of the payments to all municipalities under this section shall be
13 reduced by \$47,663,400 and the total amount of the payments to all counties under
14 this section shall be reduced by \$29,086,600.

15 **SECTION 22.** 79.035 (5) of the statutes, as created by 2011 Wisconsin Act 32, is
16 amended to read:

17 79.035 (5) ~~For~~ Except as provided in sub. (6), for the distribution in 2013 and
18 subsequent years, each county and municipality shall receive a payment under this
19 section that is equal to the amount of the payment determined for the county or
20 municipality under this section for 2012.

21 **SECTION 23.** 79.035 (6) of the statutes is created to read:

22 79.035 (6) For the distribution in 2011 and subsequent years, each county and
23 municipality's payment under this section shall be reduced, in proportion to the
24 county's or municipality's share of total payments under this section, to reflect the

1 reduction in the county and municipal aid account as a result of payments made
2 under s. 16.14 for surviving spouses identified in s. 66.0137 (5) (c) 1. or 1m.

3 **SECTION 24. Initial applicability.**

4 (1) This act first applies, retroactively, to a law enforcement officer or fire
5 fighter who has died in the line of duty before the effective date of this subsection,
6 but only with respect to the payment of health insurance premiums that come due
7 on or after the effective date of this subsection.

8 **SECTION 25. Effective date.**

9 (1) The repeal and recreation of section 20.835 (1) (db) of the statutes takes
10 effect on December 31, 2012.

11 (END)