



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRBs0099/4  
MES/RAC/JK:wlj:rs

**SENATE SUBSTITUTE AMENDMENT 1,  
TO 2011 SENATE BILL 18**

May 12, 2011 - Offered by 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.), 79.01 (2d) and 79.043 (6); and *to create* 16.14, 20.505  
4             (1) (cr), 66.0137 (1) (af), 66.0137 (1) (am), 66.0137 (1) (ap), 66.0137 (1) (c),  
5             66.0137 (5) (c) 1m. and 66.0137 (5) (c) 4. of the statutes; **relating to:** requiring  
6             the payment of health insurance premiums, and establishing a loan program,  
7             for survivors of a law enforcement officer or fire fighter who dies, or has died,  
8             in the line of duty and making appropriations.

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***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 27.

This 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 the surviving spouse and dependent children of a law enforcement officer who dies, or has died, 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 the surviving spouse and dependent children of a law enforcement officer 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 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.

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*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 who die in line of duty.**

4           **(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 while he or she was engaged in a line of duty activity, or that arose out of and  
8 as a result of such an individual’s performance of a line of duty activity:

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

12           (b) “Law enforcement officer” means any person employed by the state for the  
13 purpose of detecting and preventing crime and enforcing laws and who is authorized  
14 to make arrests for violations of the laws that the person is employed to enforce.

15           (c) “Line of duty activity” means any employment-related action taken by a law  
16 enforcement officer that is required or authorized by law, rule, regulation, or  
17 condition of employment and for which compensation is provided by his or her  
18 employer or would have been eligible to have been provided by the employer if the  
19 law enforcement officer had been on duty when he or she took the action in question.

20           (d) “Political subdivision” has the meaning given in s. 66.0137 (1) (c).

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

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

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

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

14           2. The individual is a full-time or part-time student in an accredited college  
15 or university, except that this subdivision does not apply to such an individual after  
16 the close of the calendar year in which the individual reaches the age of 27.

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

20           **(3)** The department shall reimburse any political subdivision for health  
21 insurance premiums paid by the political subdivision under s. 66.0137 (5) (c) 1. and  
22 1m., provided the political subdivision submits the form and certification under s.  
23 66.0137 (5) (c) 4. The reimbursement shall be paid from the appropriation under s.  
24 20.835 (1) (db).

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

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

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

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

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

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

2           20.505 (1) (cr) *Payment of health insurance premiums and loans for law*  
3 *enforcement officers who die in line of duty.* A sum sufficient to pay the premiums  
4 and reimbursements and make loans for surviving spouses of law enforcement  
5 officers under s. 16.14.

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

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

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

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

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

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

- 24           1. A personal injury.
- 25           2. The contraction of an infectious disease.

1           3. Exposure to hazardous materials or conditions.

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

3           66.0137 (1) (am) “Law enforcement officer” means any person employed by a  
4 political subdivision for the purpose of detecting and preventing crime and enforcing  
5 laws or ordinances and who is authorized to make arrests for violations of the laws  
6 or ordinances that the person is employed to enforce.

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

8           66.0137 (1) (ap) “Line of duty activity” means any employment-related action  
9 taken by a law enforcement officer or fire fighter that is required or authorized by  
10 law, rule, regulation, or condition of employment and for which compensation is  
11 provided by his or her employing agency or would have been eligible to have been  
12 provided by the employing agency if the law enforcement officer or fire fighter had  
13 been on duty when he or she took the action in question.

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

15           66.0137 (1) (c) “Political subdivision” means any municipality or county.

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

17           66.0137 (3) HEALTH INSURANCE FOR UNEMPLOYED PERSONS. Any ~~municipality or~~  
18 ~~county~~ political subdivision may purchase health or dental insurance for  
19 unemployed persons residing in the municipality or county who are not eligible for  
20 medical assistance under s. 49.46, 49.468, 49.47, or 49.471 (4) (a) or (b).

21           **SECTION 10.** 66.0137 (4m) (a) of the statutes is repealed.

22           **SECTION 11.** 66.0137 (5) (c) 1. of the statutes is amended to read:

23           66.0137 (5) (c) 1. Except as provided in subds. 2. ~~and~~ 3., and 4., if a municipality  
24 provides for the payment of premiums for hospital, surgical, and other health  
25 insurance for its fire fighters, it shall continue to pay such premiums for the

1 surviving spouse and dependent children of ~~a~~ the fire fighter who dies in the line  
2 of duty.

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

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

9 **SECTION 13.** 66.0137 (5) (c) 2. of the statutes is amended to read:

10 66.0137 (5) (c) 2. A ~~municipality~~ political subdivision may not be required to  
11 pay the premiums described in subd. 1. or 1m. for a surviving spouse upon the  
12 remarriage of the surviving spouse or upon the surviving spouse reaching the age of  
13 65.

14 **SECTION 14.** 66.0137 (5) (c) 3. (intro.) of the statutes is amended to read:

15 66.0137 (5) (c) 3. (intro.) An individual is not a dependent child for the purposes  
16 of subd. 1. or 1m. after the individual reaches the age of 18 unless one of the following  
17 applies:

18 **SECTION 15.** 66.0137 (5) (c) 4. of the statutes is created to read:

19 66.0137 (5) (c) 4. A political subdivision may seek reimbursement from the  
20 department of administration under s. 16.14 (3) for the payment of any premiums  
21 described in subd. 1. or 1m. that were paid by the political subdivision and that were  
22 not otherwise required to be paid under an employment-related benefit provided to  
23 the fire fighter or law enforcement officer if the political subdivision provides the  
24 department of administration with written certification that the individual on whose  
25 behalf the premiums are being paid died in the line of duty. The political subdivision



1 shall seek reimbursement from the department of administration, using a form  
2 provided by the department of administration that specifies the premium amounts  
3 paid by the political subdivision and the names, ages, and marital status of the  
4 individuals for whom the premiums were paid. The political subdivision shall also  
5 certify that the premiums could not be paid under a different employment-related  
6 benefit that was provided to the fire fighter or law enforcement officer.

7 **SECTION 16.** 79.01 (2d) of the statutes is amended to read:

8 79.01 (2d) There is established an account in the general fund entitled the  
9 “County and Municipal Aid Account.” Beginning with the distributions in 2011, the  
10 total amount to be distributed each year to counties and municipalities from the  
11 county and municipal aid account is \$824,825,715, less the amounts paid under s.  
12 16.14.

13 **SECTION 17.** 79.043 (6) of the statutes is amended to read:

14 79.043 (6) For the distribution in 2011 and subsequent years, each county and  
15 municipality shall receive a payment under this section and s. 79.035 that is equal  
16 to the amount of the payment determined for the county or municipality under s.  
17 79.02 (4) in 2010, except that each payment to a county or municipality shall be  
18 reduced, in proportion to the county’s or municipality’s share of total payments under  
19 this section and s. 79.035, to reflect the reduction in the county and municipal aid  
20 account as a result of payments made under s. 16.14 for surviving spouses identified  
21 in s. 66.0137 (5) (c) 1. or 1m.

22 **SECTION 18. Initial applicability.**

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

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

3 (END)