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HOUSE FISCAL AGENCY

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HB4826 SUBSTITUTE

Sponsor: Rep. Scott Shackleton

H-6

Committee: HOUSE APPROPRIATIONS

Analyst(s): Jen, Kyle

Completed: 12/4/01

State Fiscal Impact

Cost: Increase
Revenues: None

Local Fiscal Impact

Cost: None
Revenues: None

This analysis addresses the following topics relevant to House Bill 4826 (H-6):

- 1) Overview of the bill's provisions
- 2) Analysis of the bill's fiscal impact
- 3) Background on the related federal program

OVERVIEW

House Bill 4826 (H-6) would create the "Public Safety Officers Benefit Act" to provide for the payment of a \$25,000 survivor benefit to the spouse, dependents, estate, or care-giver of a public safety officer who dies or is permanently disabled as the direct and proximate result of a personal injury sustained in the line of duty. Certain restrictions regarding the conduct of the officer and/or the individual to whom the benefit would be paid would apply to this payment. The bill defines "public safety officer" to include the following occupational categories:

- 1) Law enforcement officers (defined to include "police, corrections, probation, parole, bailiffs, and other similar court officers")
- 2) Firefighters (defined to include volunteers)
- 3) Rescue squad members
- 4) Ambulance crew members

These individuals would be covered under the bill regardless of whether they served with or without compensation. The bill also provides definitions for the terms "dependent," "direct and proximate," "line of duty," "permanent and total disability," and "surviving spouse."

The bill would create the Public Safety Officer Benefit Fund within the State Treasury. Fund interest and earnings would be credited to the fund, and money in the fund at the close of the fiscal year would remain in the fund and not lapse to the General Fund. The bill would charge the Department of State Police with promulgating administrative rules for the distribution of benefits.

The bill provides for an interim benefit of \$3,000 to be paid to the surviving spouse or dependents of a slain law enforcement officer, upon a showing of need, if it appeared that a benefit would be paid under the bill. This interim benefit would be deducted from any final benefit paid, and repayment would be required if a final benefit was not paid. The required repayment could be waived, however, if substantial hardship would result to the recipient.

Finally, the bill provides that the Legislature appropriate sufficient money for deposit into the Public Safety Officers Benefit Fund to carry out these provisions, but states that the payment of benefits would be subject to such appropriation by the Legislature.

FISCAL IMPACT

Based on information from several state and federal organizations, approximately 51 payments would have been made over the last ten years (an average of 5.1 per year) had the provisions of this bill been effective during that time period. BASED ON THESE DATA, THE ESTIMATED ANNUAL INCREASE IN STATE COSTS UNDER THE BILL IS \$126,500. These costs would be paid from the fund created under the bill--which, presumably, would require regular GF/GP appropriations. As stated above, any excess funds at the end of the fiscal year would be carried forward to the subsequent fiscal year.

It is important to note that these estimates reflect long-term averages. The total amount of payments made under the bill's provisions would likely fluctuate substantially from year to year. BASED ON HISTORICAL FIGURES, ANNUAL COSTS COULD RANGE FROM \$50,000 TO \$225,000 IN ANY GIVEN YEAR.

The bill specifies an effective date of January 1, 2003--which would make the bill effective for the final nine months of fiscal year 2002-03 and beyond.

FEDERAL PROGRAM

The federal Public Safety Officers' Benefits Act was enacted in 1976 to provide for a \$50,000 survivor benefit for state and local law enforcement officers and firefighters killed in the line of duty. The provisions of the act were later expanded to include federal officers and firefighters, as well as rescue squad and ambulance workers.

In 1988, the benefit amount was increased to \$100,000 and indexed to the Consumer Price Index. The benefit amount for fiscal year 2001 was \$151,635.

In fiscal year 2000, the federal government paid 180 benefits under the act (total payments equaled \$2.6 million). Of this total, 119 benefits were paid for police officers killed or disabled in the line of duty, 45 for fire fighters, and 13 for other categories of individuals covered under the program. The federal definition of the term "permanently and totally disabled"--the same definition contained in HB 4826 (H-6)--is interpreted strictly; the most current figures available indicate that five benefits were paid for disabilities in fiscal year 1999 and six such benefits were paid in fiscal year 1998.