

Department of Legislative Services
Maryland General Assembly
2009 Session

FISCAL AND POLICY NOTE

House Bill 1405

(Chair, Appropriations Committee)(By Request -
Departmental - Environment)

Appropriations

**Public Safety Employees Killed in the Performance of Duties - Department of the
Environment Employees - Death Benefits**

This departmental bill provides a State employed hazardous materials emergency response team member, hazardous materials transportation compliance inspector, and radiological health assessment and field investigation team member with the same death benefit that other public safety employees qualify for in the event they are killed or die in the performance of duties. The bill redefines the term “performance of duties” to include the activities of such State employees.

Fiscal Summary

State Effect: The bill is expected to apply in a limited number of instances and is not expected to significantly affect death benefit payments made by the Department of Public Safety and Correctional Services (DPSCS) or the Department of Budget and Management (DBM) in any given year. The proposed State budget for FY 2010 includes approximately \$900,000 for death benefits for public safety employees.

Local Effect: None.

Small Business Effect: The Maryland Department of Environment has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: DPSCS is required to pay a death benefit to the surviving spouse, child, dependent parent, or estate of each of the following individuals who is killed or dies in the performance of duties: (1) a law enforcement officer; (2) a correctional officer; (3) a volunteer or career firefighter or rescue squad member; (4) a sworn member of the State Fire Marshal's Office; (5) a public safety aviation employee; or (6) a Maryland resident who was a member of the uniform services of the United States serving in the Afghanistan or Iraq conflict. Reasonable funeral expenses, not exceeding \$10,000, must be paid to the same persons.

Beginning in fiscal 2009, the \$125,000 death benefit is adjusted annually by the Consumer Price Index. From July 1, 2008 through June 30, 2009, the adjusted death benefit totals \$128,500.

A death benefit under these provisions is in addition to: (1) any workers' compensation benefits; (2) the proceeds of any form of life insurance, regardless of who paid the premiums; and (3) the funeral benefit provided under these provisions. The funeral benefit must be reduced by the amount of any paid and related workers' compensation benefits. Payments of death or funeral benefits must be made out of money that the Governor includes for that purpose in the State budget.

The circumstances under which an individual who dies from a heart attack or stroke is presumed to have died in the performance of duties, including that the heart attack or stroke occurred: (1) while the individual was engaged in specified stressful activity; (2) while on duty after such activity; or (3) no later than 24 hours after such activity. The presumption is not overcome by competent medical evidence to the contrary.

Background: An additional death benefit of \$50,000 must be paid by DBM to the survivors of a public safety employee of the State who is killed in the performance of duties. Local government public safety employees are not covered under this provision. In a typical year, DBM makes no more than one or two such payments.

The \$50,000 death benefit must be in addition to any: (1) workers' compensation benefits; (2) proceeds of any form of life insurance; (3) benefit provided to a State employee covered by DPSCS; and (4) with a certain exception, benefits paid to a member of the Maryland National Guard, the member's estate, or the member's beneficiaries or survivors by the United States. An individual who receives a death benefit under this provision may not also receive the \$100,000 death benefit otherwise paid to State employees.

Chapter 519 of 2008 created a line-of-duty death benefit for members of the Employees' Retirement System, Employees' Pension System, Teachers' Retirement System, or Teachers' Pension System who are killed while performing their duties. The Act also entitles surviving minor children and dependent parents of State employees who receive the death benefit to join the State Employee and Retiree Health and Welfare Benefits Program. Effective June 1, 2008, Chapter 519 applies retroactively to any individual who died on or after January 1, 2007, as an employee of the State Highway Administration and meets the Act's criteria for the line of duty death benefit.

Members of the State Police Retirement System, the Law Enforcement Officers' Pension System, and the Correctional Officers' Retirement System are entitled to special line-of-duty death benefits for (1) the member's accumulated contributions; and (2) an amount equal to the member's annual compensation at the time of his or her death if the member has at least one year of eligible service. Beneficiaries who receive only lump sum death benefits are not eligible to participate in the State's employee and retiree health insurance program.

The surviving spouse of a member of either the Employees' Pension System or the Teachers' Pension System is entitled to an annual allowance if the member was eligible to retire, had at least 25 years of eligibility service, or was at least 55 years old and had 15 years of eligibility service.

State Fiscal Effect: The Maryland Department of the Environment (MDE) currently employs 7 hazardous materials emergency response team members, 6 hazardous materials transportation compliance inspectors, and 15 radiological health assessment and field investigation team members. Collectively, these MDE employees respond to about 3,000 reported incidents per year. MDE has never experienced a death of any of the employees in these job categories.

The proposed State budget for DPSCS includes approximately \$900,000 in funding to cover the death benefits for seven public safety employees. As shown in **Exhibit 1**, over the last three years, death benefits for public safety employees paid out by DPSCS ranged from \$0.5 million in fiscal 2006 to \$1.4 million in fiscal 2007. Extending death benefits to State hazardous materials responders is not expected to significantly affect general fund expenditures, due to the limited instances in which the benefits will apply in any given year.

Exhibit 1
Public Safety Death Benefit Payments
Fiscal 2006-2008

<u>Fiscal</u>	<u>Number of Claims</u>	<u>Number of Claims Paid</u>	<u>Number Outstanding</u>	<u>Amount Paid</u>	<u>Amount Outstanding</u>
2006	8	8	0	\$534,616	\$0
2007	14	14	0	1,350,394	0
2008	9	7	2	896,926	270,000

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Maryland Department of the Environment, Department of Public Safety and Correctional Services, Department of Legislative Services

Fiscal Note History: First Reader - March 10, 2009
mcp/hlb

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Public Safety Employees Killed in the Performance of Duties –
Department of the Environment Employees – Death Benefits

BILL NUMBER: House Bill 1405

PREPARED BY: Maryland Department of Transportation

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

 X WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESS

OR

 WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.