

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 29 – HB 384

February 17, 2019

SUMMARY OF BILL: Extends compensation for death of emergency responders to emergency medical technicians (EMTs) and paramedics. Authorizes local governments to continue to provide health insurance to the surviving spouse and children of an EMT or paramedic who is killed in the line of duty.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – For each individual death benefit awarded, there will be an increase in state expenditures of at least \$50,000 per benefit per year over a five-year period. In the event, an EMT or paramedic death occurs in the line of duty within the respective local government that provides first responder health benefits for survivors, there will be a decrease in local government expenditures, as, at a minimum, any benefits otherwise provided by the local government will be paid by the state for two years. The extent and timing of any such impacts are dependent upon multiple unknown factors and cannot be determined with reasonable certainty.

Assumptions:

- Pursuant to Tenn. Code Ann. § 7-51-210, the estate of any emergency responder who is killed in the line of duty is entitled to receive a \$250,000 annuity, with the estate receiving an annual installment of \$50,000 for five years.
- The proposed legislation adds EMTs and paramedics to the list of emergency responders who would be eligible for such annuity if the emergency responder was current in any required training and physical exams at the time of death.
- It is assumed such payment will be made from the General Fund after the Department of Finance and Administration receives a certified death certificate, letters testamentary or letters of administration for the estate of the deceased from a probate court, and an affidavit from the decedent's employer or volunteer unit that the decedent was killed in the line of duty.
- There was one such death in Tennessee in 2018. Nationwide there were 18 emergency medical services (EMS) personnel killed in the line of duty.
- Pursuant to Tenn. Code Ann. § 8-27-404(b), if a local government offers health insurance benefits to first responders, the local government may offer or continue to provide health insurance benefits to the surviving spouse and children, including any

unborn child, of a first responder killed in the line of duty for a period not to exceed two years after the death of the first responder.

- The proposed legislation adds EMT's and paramedic's surviving spouse and children, including any unborn child, to the list of emergency responders who would be eligible for health insurance benefits if the local government offers health insurance benefits.
- It is assumed all local governments will participate in providing benefits for survivors and will be reimbursed by the state.
- The average annual premium of survivor health insurance benefits per deceased head of contract killed in the line of duty is estimated to be \$9,514.
- Based on the results of surveys of multiple local government agencies and information provided by other local government organizations, benefits for survivors of first responders vary greatly from one local government agency to another, ranging from agencies that provide no benefits for survivors after death of a first responder to agencies that cover the entire cost for 12 months and agencies that cover COBRA insurance premiums for 36 months.
- Based on results of surveys, it is estimated that approximately 75 percent of local government agencies provide no benefits to survivors, and approximately 5 percent of local government agencies provide benefits paid in full for an extended period of time.
- With an average of four first responder deaths in the line of duty each year, and the uncertainty of where such deaths will occur, the extent of any benefits (if any) that would be paid by the local government under current law cannot be reasonably determined.
- In the event such a death occurs in a local government that provides such benefits for survivors, there will be an effective decrease in local government expenditures. Any such decrease in local government expenditures is dependent on multiple unknown factors and cannot be reasonably determined.

IMPACT TO COMMERCE:

Other Commerce Impact – Due to a number of unknown factors, an exact impact to commerce and jobs in Tennessee cannot be quantified.

Assumptions:

- It is unknown how many EMTs or paramedics will be killed in the line of duty, whether or not that particular local government offers health insurance benefits, and if the local government offers health insurance benefits, what percentage of the premium the local government pays.
- Due to multiple unknown factors, the exact impact to commerce and jobs cannot be determined with reasonable certainty.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

/jem