

# Fiscal Note

**BILL #** SB 1156

**TITLE:** death benefits; burial costs

**SPONSOR:** Gowan

**STATUS:** As Introduced

**PREPARED BY:** Ethan Scheider

## Description

The bill would increase the death benefit for burial costs by \$5,000 of an employee who sustains an occupational injury causing death. The bill further applies this increase in death benefits to a deceased "first responder" (law enforcement officer, firefighter, or paramedic), including a volunteer first responder, retroactively from and after December 31, 2023.

## Estimated Impact

We estimate that the proposed death benefit increase would have a total ongoing annual cost of \$35,000 to Arizona government employers beginning in FY 2026. Of this amount, the annual impact to the state would be \$5,000 from the Risk Management Fund, and the annual local government impact would be \$30,000.

We estimate that the December 31, 2023, retroactive clause would have an additional one-time cost of \$10,000 from the Risk Management Fund and \$60,000 from local governments to cover the extra \$5,000 benefit in calendar years 2024 and 2025.

## Analysis

Under current law, in the case of a workplace injury resulting in death, public employees in the state are entitled to various death benefits. Included in these death benefits is a one-time cost coverage for burial expenses. At the state level, this expense is paid from ADOA's Risk Management Fund which covers the cost of state employee workers' compensation benefits. The draft bill would increase the coverage for burial expenses from not more than \$5,000 to not more than \$10,000.

According to the Bureau of Labor Statistics (BLS) Census of Fatal Occupational Injuries, there was a total of 20 state and local government occupational deaths during the 2021-2023 period in Arizona. This number is inclusive of all occupations within Arizona state and local government. Of this number, 2 of the deceased were state employees and 18 were local government employees, yielding an average of 6.66 state and local government deaths per year for this period.

Using the BLS data, our estimate assumes a total of 7 government employee occupational deaths each year, comprised of 1 state and 6 local government deaths. Given that the amount of the death benefit for burial costs would increase from \$5,000 to \$10,000 under this proposal, we estimate an annual impact of \$5,000 to the state.

The proposed legislation includes a retroactive clause from and after December 31, 2023, for first responders that suffer an occupational death. The cost for retroactive first responder burial costs will depend on the total number of first responders deceased between December 31, 2023, and the general effective date of this proposed legislation if signed into law.

The bill also includes a retroactive clause for volunteer first responders that suffer an occupational death. We are unable to find any data regarding the number of occupational deaths for volunteer first responders. However, we estimate the



fiscal impact of volunteer first responder deaths to be minimal. For reference, there were a total of 50 volunteer firefighter deaths in the United States in 2023.

**Local Government Impact**

The bill would generate an ongoing annual cost of \$30,000, and a one-time cost of \$60,000 to local governments for the payment of the benefit retroactive to January 1, 2024.

1/29/25