

House Engrossed

public safety cancer insurance

State of Arizona
House of Representatives
Fifty-seventh Legislature
First Regular Session
2025

CHAPTER 47

HOUSE BILL 2013

AN ACT

AMENDING SECTION 38-643, ARIZONA REVISED STATUTES; RELATING TO PUBLIC
SAFETY CANCER INSURANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 38-643, Arizona Revised Statutes, is amended to
3 read:

4 38-643. Public safety cancer insurance policy program account

5 A. The public safety cancer insurance policy program account is
6 established and shall be under the exclusive control of the board. The
7 board shall deposit monies collected pursuant to section 38-642 in the
8 account to pay the cost of providing a group cancer insurance policy under
9 the program and the cost of administering the program.

10 B. The board may use ~~up to ten percent of the~~ monies deposited in
11 the account ~~UP TO THE AMOUNT EQUAL TO OR LESS THAN TEN PERCENT OF THE~~
12 ~~TOTAL CLAIMS PAID, AVERAGED OVER THE PREVIOUS FIVE YEARS,~~ each year ending
13 ~~July 31~~ JUNE 30 to pay the costs of administering the program, ~~EXCLUDING~~
14 ~~THE COSTS OF PROCESSING THE CLAIMS,~~ except that board attorney fees and
15 court costs relating to the program shall be paid out of the account and
16 are not subject to this limitation. ~~If no monies are deposited in the~~
17 ~~account in a given year, the board may use up to five percent of the~~
18 ~~monies deposited in the account in the most recent year in which there was~~
19 ~~a deposit to pay the costs of administering the program.~~

20 C. The board shall cause an independent audit of the account to be
21 performed at the end of each fiscal year and shall report the results of
22 the audit to each employer within six months following the end of the
23 fiscal year.

24 D. The employer contributions and securities in the account and
25 investment earnings on monies in the account are exempt from state, county
26 and municipal taxes.

27 E. The program is a welfare benefit plan or trust intended to pay
28 expenses incurred in the treatment of cancer as provided in the policy of
29 insurance secured or established by the board pursuant to section 38-642.
30 The legislature intends that the program's income be excluded as gross
31 income for ~~the purposes of the assessment of~~ ASSESSING federal income tax
32 under section 115 of the internal revenue code and that coverage under the
33 program be excluded as gross income to the employees or retirees under
34 section 106 of the internal revenue code. The board may adopt additional
35 program provisions as ~~are~~ necessary to fulfill the legislature's intent
36 that the program's income and coverage are not subject to federal income
37 tax.

38 F. To the extent required to exclude coverage under the program as
39 gross income of participants, employers ~~THAT ARE~~ required to participate
40 in the program shall pay the premiums for the cost of the program and
41 include the premium amount as wages of the firefighters and peace officers
42 ~~WHO ARE~~ participating in the program, subject to federal and state income
43 and employment taxes.

1 G. Employers, the board of trustees and any member of a local board
2 do not guarantee the account in any manner against loss or depreciation
3 and are not liable for any act or failure to act made in good faith
4 pursuant to this article, including determinations on program claims.

APPROVED BY THE GOVERNOR APRIL 8, 2025.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 08, 2025.