

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 44** SLS 16RS 87

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 24, 2016 4:15 PM	Author: GATTI
Dept./Agy.: Workforce Commission	Analyst: Patrice Thomas
Subject: Workers' Compensation Insurance Premium Reduction	

WORKERS' COMPENSATION OR NO IMPACT See Note Page 1 of 1
Provides for workers' compensation insurance premium reductions to certain employers. (8/1/16)

If an employer's workers' compensation insurer/group self-insurance fund recoups at least 40% of their worker's compensation payments from a third party, proposed law provides the workers' compensation insurer/group self-insurance fund shall do all of the following: (1) adjust the premium rating (i.e., the dollar amount charged for premiums) so that the employer's premium rating is not increased as a result of the accident; and (2) refund all increased workers' compensation premiums paid by the employer as a result of the accident within 30 days of the receipt of the recouped funds. Proposed law provides that the failure to return the employer to the pre-accident premium rating or refund all increased premiums paid will result in the following: (1) penalties equal to 1½ times the amount of the statutory lien proceeds recouped from the third party plus any attorney's fees paid by the employer; or (2) penalties equal to 1½ times the amount of the workers' compensation premiums paid by the employer, which are attributable to the accident, for the time period not to exceed 3 years prior to the third party settlement plus any attorney's fees paid by the employer.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The Office of Risk Management (ORM) within the Division of Administration is not considered an insurer or group self-insurance fund; therefore, this measure does not impact the ORM of the state budget.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} | |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} | |

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