

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 185** HLS 26RS 477
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **w/ SEN COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: April 23, 2026	9:50 AM	Author: MELERINE
Dept./Agy.: Louisiana Works		Analyst: Darynn Hoppe
Subject: Definitions Pertaining Independent Contractors		

WORKERS COMPENSATION RE1 DECREASE SD EX See Note Page 1 of 1
 Provides relative to the definition of an independent contractor

Present law defines an individual who is considered an "independent contractor" as any person who renders service for a specified recompense for a specified result either as a unit or as a whole, for the purposes of workers' compensation.

Proposed law expands the definition of "independent contractor" to include employees of independent contractors or other independent contractors contracting with an independent contractor.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

Proposed law changes the scope of who is considered an independent contractor. By classifying employees of independent contractors as independent contractors themselves with respect to workers compensation, fewer workers will be considered eligible for workers' compensation benefits, potentially resulting in fewer claims.

ORM reports that the change to employee classifications will result in an average yearly decrease in total claims paid by approximately \$65,000. ORM reports that it has paid \$326,832 over the past five years in cases where the state was deemed a statutory employer of an employee where an independent contractor did not maintain workers' compensation insurance.

Because the number of eligible employees who will file claims for workers' compensation is unknown, and proposed law will have a prospective impact, the full fiscal impact on statutory dedications is indeterminable and may vary from year to year. Any impact to claims payments would be reflected as SGR in the expenditure table.

REVENUE EXPLANATION

Annually, the Assistant Secretary determines an assessment to be collected by each employer to be deposited into the Office of Workers' Compensation Administrative Fund for Office of Workers' Compensation program expenses. The definitional change of independent contractor in this bill may or may not alter the amount of the annual workers compensation assessment.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger
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Legislative Fiscal Officer