

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



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

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 10, 2016 8:40 AM	<b>Author:</b> GATTI
<b>Dept./Agy.:</b> Workforce Commission	<b>Analyst:</b> Patrice Thomas
<b>Subject:</b> Workers' Compensation Insurance Premium Reduction	

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

Present law requires an insurer (workers' compensation insurance company) to grant the insured (employer) a dollar-for-dollar credit for any amount on any claim paid on the employer's behalf and recovered from a third party in the current year, less any reasonable expenses incurred in the recovery by the insurer.

Proposed law requires workers' compensation insurance companies to use National Council on Compensation Insurance (NCCI)'s loss experience modifier in determining the amount of the dollar-for-dollar credit. Proposed law provides that the group self-insurance fund shall apply the loss experience modifier authorized by present law. Proposed law is effective August 1, 2016.

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

  

<b>REVENUES</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>5 -YEAR TOTAL</b>
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<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**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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