



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 608** HLS 21RS 994
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **W/ SEN FLOOR AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: June 7, 2021	6:45 PM	Author: GAINES
Dept./Agy.: Transportation and Development		Analyst: Alan M. Boxberger
Subject: Provides for \$100,000 death benefit for certain employees		

TRANSPORTATION DEPT REF SEE FISC NOTE SD EX See Note Page 1 of 1

Provides for \$100,000 death benefit for an employee of the Department of Transportation and Development who is killed in a hazardous situation in the course and scope of his employment

Proposed law establishes as public policy of DOTD the provision of financial security to the families of deceased DOTD workers who suffer death as a result of any injury arising out of a hazardous situation while in the course and scope of employment; specifies death benefits are conditioned on survivors waiver or liability; requires payment of a \$100,000 in death benefits to the surviving spouse of eligible deceased DOTD workers; provides that in absence of a surviving spouse, payment be made to the child or children of the worker; provides for a named beneficiary in absence of surviving spouse or children; provides for payment to the estate in absence of a named beneficiary; requires that the payment be made out of the Transportation Trust Fund contingent upon all recipients waiving the right to sue the department; and requires the department to promulgate rules. Proposed law is effective upon signature of the governor.

EXPENDITURES	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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>	<u>\$0</u>
Annual Total						
REVENUES	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>5 -YEAR TOTAL</u>
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>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law will result in a significant increase of \$100,000 in Statutory Dedication expenditures out of the Transportation Trust Fund - Regular in the event a Department of Transportation & Development (DOTD) employee suffers death as a result of an injury arising out of a hazardous situation while in the course and scope of employment. The average number of work-related deaths between FY 15 and FY 20 was 0.67 annually, which would have resulted in an average expenditure increase of \$66,667 per year (see below). The payment will be made to an eligible beneficiary as established in proposed law. The frequency of such payments is indeterminable and will depend upon prospective injuries resulting in death for DOTD workers in the future. As DOTD revenues from the Transportation Trust Fund - Regular are constrained by the forecast of the Revenue Estimating Conference, any death benefits paid will draw from monies appropriated to provide for the general operations, maintenance and construction of the state's transportation infrastructure.

The Office of Risk Management (ORM) reports it does not anticipate a direct material effect on governmental expenditures for its office as a result of this measure. Payments to beneficiaries are contingent upon the recipient waiving rights to sue DOTD for the wrongful death of the employee. ORM assumes that recipient of the death benefit does not require waiver of other benefits payable to the employee's survivor such as worker's compensation and LA State Employees Retirement System benefits. ORM notes that unless the death was intentionally caused by DOTD, the exclusive remedy of worker's compensation would prevent any suit in tort for the employee's death.

For informational purposes, below are the number of work related deaths reported among DOTD employees over the past six fiscal years years. If proposed law had been in effect beginning 7/1/14, DOTD would have made death benefit payments of up to \$400,000 assuming all beneficiary recipients accepted the payment and waived rights to sue the department.


Fiscal Year	14-15	15-16	16-17	17-18	18-19	19-20	20-21
Number of Deaths	0	1	0	1	0	2	0

Total Deaths: 4 (average of 0.67 per year from FY 15 to FY 20, FY 21 reflects no deaths reported to date).

REVENUE EXPLANATION

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

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