LEGISLATIVE FISCAL Fiscal Note	OFFICE					
	Fiscal Note On: SB 44 SLS 16RS 87					
::Leg諸属tive	Bill Text Version: ORIGINAL					
Fiscale	Chamb. Action:					
	Proposed Amd.:					
	Sub. Bill For.:					
Date: March 24, 2016 4:15 PM	Author: GATTI					
Dept./Agy.: Workforce Commission						
Subject: Workers' Compensation Insurance Premium Reduction	ation Insurance Premium Reduction Analyst: Patrice Thomas					

WORKERS' COMPENSATION

OR NO IMPACT See Note

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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 11/2 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 11/2 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.

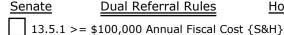
EXPENDITURES	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0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



Dual Referral Rules

<u>House</u>

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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Gregory V. Albrecht Chief Economist