

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1587-01
Bill No.: SB 316
Subject: Workers' Compensation
Type: Original
Date: February 18, 2019

Bill Summary: This proposal modifies provisions on permanent total disability benefits.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on General Revenue	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration (OA)** assume 287.200.4(5) limiting recovery to dependent children could lead to cost savings for the state in mesothelioma cases wherein the employee dies before the additional benefits are paid. The amount of such savings, if any, cannot be estimated as it would depend on the facts and circumstances of each particular case.

Oversight assumes that limiting payouts to dependent children could result in cost savings. Oversight is unable to determine, if any, how many benefit cases this will affect. Therefore, Oversight will reflect a \$0 or unknown savings.

Officials from the **Department of Labor and Industrial Relations** and **Department of Transportation** both assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes that the Department of Labor and Industrial Relations and Department of Transportation have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
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GENERAL REVENUE FUND

<u>Savings - OA</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
Total Disability Benefits			

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Under current law, if an employee dies prior to being paid permanent total disability workers' compensation benefits due as a result of certain occupational diseases due to toxic exposure, any additional benefits shall be payable to the employee's spouse or children, natural or adopted. This act modifies that provision such that to receive payment under this provision a child must also be a dependent. The act additionally repeals a requirement that payment be made to the estate of an employee in the event that he or she does not have a spouse or dependent children.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Labor and Industrial Relations
Office of Administration
Department of Transportation



Kyle Rieman
Director
February 18, 2019

Ross Strobe
Assistant Director
February 18, 2019