

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1512-01
Bill No.: SB 580
Subject: Department of Labor and Industrial Relations; Workers' Compensation
Type: Original
Date: March 12, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown
Road Fund	\$98,167	\$117,800	\$117,800
Workers' Compensation Fund	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>All</u> State Funds	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Conservation, Office of State Courts Administrator** and the **Office of Administration - Division of Personnel** assume the proposed legislation would have no fiscal impact to their agencies.

Officials from the **Department of Transportation (DHT)** assume this legislation would eliminate the department's current repetitive injury claims. The elimination of these claims would create a cost savings of \$117,800 per year (total repetitive injury claims of \$589,000 divided by five, the number of years).

Officials from the **Office of Administration - Division of General Services** assume the proposed changes have potential cost savings that cannot be determined at this time. Through speaking with officials from the Division, this cost savings would impact the General Revenue Fund.

Officials from the **Department of Labor and Industrial Relations - Division of Workers' Compensation (DOL)** assume the fiscal impact of this proposed legislation is unknown. This legislation will result in additional litigation over which employees are entitled to workers' compensation benefits. Officials noted that they will likely need additional resources to handle this increase in litigation (additional administrative law judges, legal advisors, support staff and costs associated with the administration of the additional workload).

Officials from the **Office of Attorney General (AGO)** assume the costs related to this proposal are unknown because the AGO is not sure how many new cases may be brought against the Second Injury Fund.

Based on a conversation with DOL officials, section 287.020 could result in savings to the Second Injury Fund, however, such savings are speculative. Since such savings are speculative, **Oversight** has not reflected impact to this fund in the fiscal impact specifications below.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
GENERAL REVENUE FUND			
<u>Potential Cost Savings</u>	Unknown	Unknown	Unknown
<u>Cost - Office of Attorney General</u>	(Unknown)	(Unknown)	(Unknown)

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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Estimated Net Effect on GENERAL REVENUE FUND	<u>(Unknown) to Unknown</u>	<u>(Unknown) to Unknown</u>	<u>(Unknown) to Unknown</u>
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ROAD FUND

<u>Savings - Department of Transportation Repetitive Injury Claims</u>	<u>\$98,167</u>	<u>\$117,800</u>	<u>\$117,800</u>
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**WORKERS' COMPENSATION
FUND**

Cost - Department of Labor and Industrial
Relations (DOL)

Personal Service	(Unknown)	(Unknown)	(Unknown)
Fringe Benefits	(Unknown)	(Unknown)	(Unknown)
Expense and Equipment	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

Total <u>Cost - DOL</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

Small businesses could be affected by this proposal.

DESCRIPTION

This proposal modifies the definitions of "accident" and "injury" as used in Chapter 287, RSMo, (Workers' Compensation) and adds a provision regarding aggravation of pre-existing conditions.

This proposal adds provisions regarding claims of occupational diseases due to repetitive motion. All issues regarding such a claim shall be handled in one hearing. Any employer, whether the latest employer or a prior employer, may join the case. The claimant is required to cooperate in

DESCRIPTION (continued)

all phases of such hearing.

This proposal creates a conclusive presumption that if an employee was legally drunk at the time of an injury, the use of alcohol proximately caused the injury and any benefits are forfeited.

An Administrative Law Judge may dismiss a claim without a hearing upon written request from the employee. Claims that have been pending three years without a hearing shall be automatically dismissed with prejudice. Persons under active medical care are exempted from this provision.

Where any employee fails to keep the second regularly scheduled medical appointment for treatment or evaluation purposes, the employee shall reimburse the physician an amount for the physician's time in scheduling the appointment at his reasonable charges for same.

Workers' compensation law shall be impartially and not liberally construed with a view to the public welfare.

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 Conservation
Department of Labor and Industrial Relations
Department of Transportation
Office of Administration - Division of General Services
Office of Administration - Division of Personnel
Office of Attorney General
Office of State Courts Administrator



Jeanne Jarrett, CPA
Director

March 12, 2001