

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.      3216-01  
BILL NO.     SB 631  
SUBJECT:    Workers' Compensation; Second Injury Fund  
TYPE:        Original  
DATE:        December 27, 2001

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON STATE FUNDS</b>                          |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2003    | FY 2004    | FY 2005    |
| None  | \$0        | \$0        | \$0        |
|   |            |            |            |
| <b>Total Estimated<br/>Net Effect on <u>All</u><br/>State Funds</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                          |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2003    | FY 2004    | FY 2005    |
| None  | \$0        | \$0        | \$0        |
|   |            |            |            |
| <b>Total Estimated<br/>Net Effect on <u>All</u><br/>Federal Funds</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |            |            |            |
|--|------------|------------|------------|
| FUND AFFECTED                              | FY 2003    | FY 2004    | FY 2005    |
| <b>Local Government</b>                    | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

Numbers within parentheses: ( ) indicate costs or losses  
This fiscal note contains 3 pages.

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**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Department of Labor and Industrial Relations** assume the proposed legislation would have no fiscal impact on their agency.

Officials from the **Attorney General's Office** (AGO) did not respond to our fiscal impact request. However, in response to a similar proposal from a prior session, AGO estimated their agency would request additional staff (5 assistant attorney generals, 1 paralegal and 2 secretaries). AGO assumed that the proposal would mainly affect partial disability claims filed against the Second Injury Fund (SIF). If SIF cases were allowed to be submitted on medical reports, cases previously settled or dismissed would be taken to hearing resulting in an additional 800 to 1,200 cases. Along with this increase, appeals would increase. In order to adequately defend these cases, SIF attorneys would have to cross-examine the claimant's doctor. AGO estimated annual costs of \$380,000 to \$400,000. AGO also estimated a loss to the Second Injury Fund of \$5.0 million annually, due to an increase in claims.

Officials from the **State Treasurer's Office** (STO) did not respond to our fiscal impact request. However, in response to a similar proposal from a prior session, STO deferred to the response prepared by the AGO.

**Based on an Oversight Subcommittee decision on March 30, 1998, the fiscal impact of this proposal is assumed to be zero.**

|   |                     |            |            |
|---|---------------------|------------|------------|
| <u>FISCAL IMPACT - State Government</u> | FY 2003<br>(10 Mo.) | FY 2004    | FY 2005    |
|   | <u>\$0</u>          | <u>\$0</u> | <u>\$0</u> |

|   |                     |            |            |
|---|---------------------|------------|------------|
| <u>FISCAL IMPACT - Local Government</u> | FY 2003<br>(10 Mo.) | FY 2004    | FY 2005    |
|   | <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.

DESCRIPTION

This proposal allows the State to request a medical examination of an injured employee in Second Injury claims and modifies the admissibility of medical reports in Second Injury cases.

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

NOT RESPONDING

Attorney General's Office  
State Treasurer's Office



Jeanne Jarrett, CPA  
Director

December 27, 2001