

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO. 3216-02
BILL NO. SCS for SB 631
SUBJECT: Workers' Compensation; Second Injury Fund; Evidence
TYPE: Original
DATE: March 13, 2002

FISCAL SUMMARY

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

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

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

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Labor and Industrial Relations** and the **State Treasurer's Office** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Attorney General's Office (AGO)** estimate their agency would request additional staff (5 assistant attorney generals, 1 paralegal and 2 secretaries). AGO assumes 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 estimates annual costs of \$380,000 to \$400,000. AGO also estimates a loss to the Second Injury Fund of \$5.0 million annually, due to an increase in claims.

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 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (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.

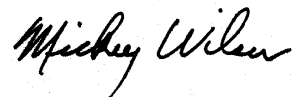
DESCRIPTION

This proposal provides that in the case of a claim against the Second Injury Fund, the administrative law judge may appoint an impartial physician to examine, at the request of the State, upon a finding that there is no other adequate medical evidence available and necessary, upon the issues presented by the Second Injury Fund Claims. The physician's fee and other reasonable costs may be assessed by the administrative law judge against any party and becomes immediately payable.

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
State Treasurer's Office
Attorney General's Office



Mickey Wilson, CPA
Acting Director

March 13, 2002