

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3458-02
Bill No.: SCS for SB 832
Subject: Evidence; Labor and Industrial Relations Dept.; Workers' Compensation
Type: Original
Date: April 24, 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 **Office of Administration, Departments of Labor and Industrial Relations, Insurance, and Transportation** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **State Treasurer's Office** defer to the Attorney General's Office for the fiscal impact of this proposal.

Officials from the **Office of the Attorney General (AGO)** estimate that 800 to 1,200 cases per year that are currently settled or dismissed would be taken to a hearing. A corresponding increase of appeals from those cases would follow. AGO assumes 8 additional FTEs (5 Assistant Attorneys General II, 2 Legal Secretaries, and 1 Paralegal) would be necessary to adequately prepare and try these cases and resulting appeals. AGO estimates cost to the General Revenue Fund of \$276,938 in FY 2003; \$340,633 in FY 2004; and \$349,149 in FY 2005.

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, in reference to a similar proposal, 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

KLR:LR:OD (12/01)

This proposal could cause small businesses that fail to pay Workers' Compensation weekly benefit payments to pay more in interest charges.

DESCRIPTION

Section 287.160(3) allows interest to run 15 days after an award except as otherwise modified upon review or appeal.

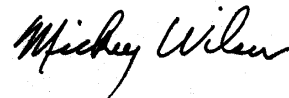
Section 287.210(2) provides that in the case of a claim against the Second Injury Fund, the administrative law judge may appoint an impartial physician to examine, at the request of the State, upon a finding that there is no other adequate medical evidence available and necessary, upon the issues presented 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.

Section 287.430 makes a technical change regarding the statute of limitation for claims against the Second Injury Fund, making it consistent with other workers' compensation claims.

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
Department of Transportation
Department of Insurance
Office of Administration
State Treasurer's Office
Attorney General's Office



Mickey Wilson, CPA
Acting Director

April 24, 2002