Department of Planning and Budget
2004 Fiscal Impact Statement

1. Bill Number HB864

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron Byron

3. Committee Passed Both Houses

4. Title Workers' compensation; lien by employer on settlement or verdict.

5. Summary/Purpose:
Provides that an employer's payment of workers' compensation benefits creates not only a subrogation interest, but an actual lien against any proceeds obtained by verdict or settlement from a third party or recovered pursuant to the uninsured or underinsured motorist provisions of a motor vehicle insurance policy carried by the employer. Under current law, the employer has a subrogation interest in a recovery by the employee against a third party that it must in force independently or perfect prior to verdict. The bill also provides that where the employer must sue to recover on its lien, it is not required to pay the employee's cost of defending the suit.

6. Fiscal Impact Estimates are: Minimal - Final

7. Budget amendment necessary: No

8. Fiscal implications: Agency Impact: This bill will have minimal fiscal impact on the Workers' Compensation Commission (WCC), as its administration will be accomplished with existing staff and resources.

System Impact: It is anticipated that this bill would have no fiscal impact on the workers' compensation system.

9. Specific agency or political subdivisions affected: Workers' Compensation Commission

10. Technical amendment necessary: No

11. Other comments: None

Date: 3/22/04 / mtb
Document: G:\Sbe\Bills\Fis\2004session\Hb864er.Doc
cc: Secretary of Administration