

Department of Planning and Budget

2015 Fiscal Impact Statement

1. Bill Number: HB1880-ER

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron: Kilgore

3. Committee: Passed Both Houses

4. Title: Workers' compensation; Uninsured Employer's Fund; financing tax.

5. Summary: Extends until July 1, 2018, the existing 0.5 percent maximum tax rate that may be assessed on uninsured or self-insured employers. The maximum rate, which was increased from 0.25 percent to 0.5 percent in 2009, is scheduled to revert to 0.25 percent on July 1, 2015. The revenues from the tax fund workers' compensation benefits that are awarded against such employers from the Uninsured Employer's Fund.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Final – see Item 8.

8. Fiscal Implications: According to the Workers' Compensation Commission, this legislation maintains the maximum tax rate for the Uninsured Employer's Fund (UEF) at 0.5% until July 1, 2018. Reversion to the prior maximum rate of 0.25% at July 1, 2015 may negatively impact the long-term solvency of the UEF. In addition to paying workers' compensation claims of uninsured employers, the UEF is the guaranty fund for the insolvency of group self-insurance associations administered by the State Corporation Commission and the individual self-insured employers and municipalities administered by the Workers' Compensation Commission.

9. Specific Agency or Political Subdivisions Affected: Workers' Compensation Commission

10. Technical Amendment Necessary: No.

11. Other Comments: None.