

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 2, 2009

TO: Honorable Joe Deshotel, Chair, House Committee on Business & Industry

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB35 by Leibowitz (Relating to reporting requirements for employers not covered by workers' compensation insurance.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB35, As Introduced: an impact of \$0 through the biennium ending August 31, 2011.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from <i>Dept Ins Operating Acct 36</i>	Probable Revenue Gain from <i>Dept Ins Operating Acct 36</i>	Change in Number of State Employees from FY 2009
2010	(\$268,709)	\$268,709	1.0
2011	(\$261,321)	\$261,321	1.0
2012	(\$261,321)	\$261,321	1.0
2013	(\$261,321)	\$261,321	1.0
2014	(\$261,321)	\$261,321	1.0

Fiscal Analysis

The bill would amend the Labor Code to require employers not covered by workers' compensation insurance to report information regarding each work-related injury to the Division of Workers' Compensation within the Texas Department of Insurance (TDI). The bill would require the Commissioner of Workers' Compensation to adopt rules and create forms for this reporting requirement.

The bill would take effect September 1, 2009.

Methodology

Based on the analysis of TDI, it is assumed the bill would result in 102,000 electronic filings of this report annually. It is assumed costs for implementing this bill would include salary for an additional 1.0 FTE, in the amount of \$59,286 each fiscal year with associated benefit costs of \$16,938. The one FTE would educate the public on this requirement, and collect and analyze data from the reports. One-time equipment costs and additional travel costs in 2010 would be \$7,388. It is assumed other operating expenses to include telephone, travel, and consumable costs would be \$4,575 each fiscal year. The agency would contract with a Statistical Agent to gather the information and provide it to the agency in electronic format. The approximate cost would be \$1.58 per transaction, for a total cost of \$161,160 each year for gathering the data. It is assumed there would be a data storage cost of \$19,362 each year.

Since TDI is required to generate revenues equivalent to its costs of operation under current law, this analysis assumes that all costs incurred would be paid from General Revenue – Dedicated Fund 36 from either existing fund balances or insurance maintenance tax revenues.

Technology

There would be a one-time technology impact of \$1,444 in fiscal year 2010 for computer hardware and software at TDI.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance

LBB Staff: JOB, JRO, MW, CH