

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 9, 2009

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

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

IN RE: HB1058 by Solomons (Relating to the receipt of death benefits in the workers' compensation system.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1058, 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 Revenue Gain/(Loss) from Subsequent Injury Fund 5101
2010	(\$213,366)
2011	(\$213,366)
2012	(\$213,366)
2013	(\$213,366)
2014	(\$213,366)

Fiscal Analysis

The bill would amend the Labor Code to expand the requirements for an eligible parent to receive death benefits in cases where the deceased employee is not survived by other legal beneficiaries. The bill would create additional legal beneficiaries who will be entitled to receive death benefits.

The bill would take effect on September 1, 2009.

Methodology

Based on analysis by the Department of Insurance (TDI), the loss in revenue to the General Revenue Dedicated Fund 5101 - Subsequent Injury Fund due to additional legal beneficiaries is anticipated to be \$213,366 per year for each year of the biennium.

These additional beneficiaries would each receive a maximum of 104 weeks of death benefits, with the Subsequent Injury Fund receiving the remaining 260 weeks of death benefits. This bill would result in a loss of revenue to the subsequent injury fund that equals a maximum of 104 weeks of death benefits multiplied by the number of new legal beneficiaries created by this bill. Based on analysis from TDI, it is estimated that this loss of revenue would be approximately \$213,366 each year if there are eight claims for death benefits at an average \$512.90 each week.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 454 Department of Insurance

LBB Staff: JOB, JRO, SD, CH, MW