

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 12, 2015

TO: Honorable Kevin Eltife, Chair, Senate Committee on Business & Commerce

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2466 by Collier (Relating to the creation of a safety reimbursement program for employers participating in the workers' compensation system.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2466, As Engrossed: a negative impact of (\$200,000) through the biennium ending August 31, 2017.

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
2016	(\$100,000)
2017	(\$100,000)
2018	(\$100,000)
2019	(\$100,000)
2020	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Revenue Gain/(Loss) from <i>Dept Ins Operating Acct</i> 36	Probable Savings/(Cost) from <i>Dept Ins Operating Acct</i> 36
2016	(\$100,000)	\$100,000	(\$100,000)
2017	(\$100,000)	\$100,000	(\$100,000)
2018	(\$100,000)	\$100,000	(\$100,000)
2019	(\$100,000)	\$100,000	(\$100,000)
2020	\$0	\$0	\$0

Fiscal Analysis

The bill would amend the Labor Code relating to the creation of a Safety Reimbursement Program for employers participating in the workers' compensation system.

The bill would direct the Commissioner of Insurance to adopt rules establishing a Safety Reimbursement Program designed to assist eligible employers in the creation of safe and healthy workplaces for employees of this state. The program would reimburse an eligible employer no more than \$5,000 per calendar year for expenses incurred related to facilitating a safe and healthy workplace for employees of the employer.

The bill takes effect September 1, 2015; however, the provisions of the bill expire September 1, 2019.

Methodology

Under current law, the Division of Workers' Compensation (DWC) collects administrative penalties and deposits those revenues to the credit of General Revenue. The bill would direct the Commissioner of Insurance to deposit the first \$100,000 collected by DWC from administrative penalties to the credit of the Texas Department of Insurance (TDI) Operating Account Fund 36 (Fund 36) for the purpose of funding the Safety Reimbursement Program, resulting in a revenue loss of \$100,000 to the General Revenue Fund each year through fiscal year 2019, when the provisions of the bill expire. This analysis assumes that all funds deposited for the Safety Reimbursement Program would be expended in the same fiscal year. Since Fund 36 is a self-leveling account, this analysis also assumes that any additional revenue resulting from the implementation of the bill would accumulate in account fund balances and that TDI would adjust the assessment of the maintenance tax or other fees accordingly in the following year.

The bill would create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either within or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in the bill would be subject to funds consolidation review by the current Legislature.

Based on information provided by TDI and the Comptroller of Public Accounts, it is assumed that all duties and responsibilities necessary to implement the provisions of the bill could be accomplished utilizing existing staff and resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

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

LBB Staff: UP, CL, ER, NHe, NV