

## LEGISLATIVE BUDGET BOARD

Austin, Texas

### FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 29, 2017

**TO:** Honorable René Oliveira, Chair, House Committee on Business & Industry

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB2287** by Lozano (Relating to administrative violations committed by certified self-insurer administrators under the Texas Workers' Compensation Act; authorizing an administrative penalty.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Labor Code relating to administrative violations committed by certified self-insurer administrators under the Texas Workers' Compensation Act; authorizing an administrative penalty. Based on information provided by the Texas Department of Insurance (TDI), State Office of Risk Management, Texas Department of Transportation, The University of Texas System Administration, and Texas A&M University System Administration, this analysis assumes the duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

According to TDI, the bill could present a conflict with Section 4151.253 of the Insurance Code, which states that any contract between an insurance carrier and a third-party administrator cannot limit the carrier's liability or responsibility, including financial responsibility, to comply with statutory or regulatory requirements. According to TDI, this conflict could create an issue regarding the assessment of an administrative penalty against a third-party administrator.

#### **Local Government Impact**

According to the Texas Municipal League, the fiscal impact to municipalities is not anticipated to be significant.

**Source Agencies:** 454 Department of Insurance, 479 State Office of Risk Management, 601 Department of Transportation, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

**LBB Staff:** UP, CL, EH, CP, JGA, ASa