

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 5, 2017

TO: Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB877** by Hancock (Relating to liability of certain political subdivisions in certain workers' compensation actions.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Labor Code waiving a political subdivisions sovereign immunity for paying attorney fees if the entity self-insures individually or collectively.

The bill would take effect September 1, 2017.

The Department of Insurance, Office of Risk Management, and Texas Education Agency anticipate no significant fiscal implications from the bill.

Local Government Impact

According to the Texas Municipal League, the fiscal impact to local government cannot be determined.

According to the Texas Education Agency, school districts may be impacted depending on their current insurance coverage.

The Texas Association of School Board Officials estimates for every \$100,000 in insurance claims school districts would be responsible for paying \$30,000 in attorney fees.

Source Agencies: 454 Department of Insurance, 479 State Office of Risk Management, 701 Texas Education Agency

LBB Staff: UP, CL, GG, BM