<div align="center">

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

April 17, 2021

</div>

TO: Honorable Chris Turner, Chair, House Committee on Business & Industry

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB541** by Patterson (relating to certain claims for benefits, compensation, or assistance by certain public safety employees and survivors of certain public safety employees.), **Committee Report 1st House, Substituted**

Passage of the bill would require the approval of workers' compensation claims related to SARS-CoV-2 or COVID-19 that is the basis for a disaster declared by the Governor for detention officers, corrections employees, firefighters, peace officers, or EMTs. It is unknown how many of these employees with previously denied claims would refile their claims or how many new claims would be filed in the future. Therefore, the fiscal impact of the bill cannot be determined.

The bill would amend Chapter 607 of the Government Code to provide that a detention officer, corrections employee, firefighter, peace officer, or EMT who suffers from SARS-CoV-2 or COVID-19 that is the basis for a disaster declared by the Governor, that results in disability or death is presumed to have contracted the disease during the course and scope of their work. Implementing provisions of the bill would require that related workers' compensations claims be accepted.

The provisions of the bill would authorize payment of claims related to SARS-CoV-2 or COVID-19 made on or after the effective date of the Act, regardless of whether that claim is otherwise considered untimely, and would also apply to claims previously denied before the effective date of the act and subsequently re-submitted. The State Office of Risk Management (SORM) has estimated the payment of previously denied claims, if resubmitted and approved, could be approximately $28,000,000. Workers compensation claims are funded through payments by state agencies from assessments charged by SORM. An increase in payment of claims would result in an increase in assessments charged to state agencies. It is unknown how many detention officers, corrections employees, firefighters, peace officers, or EMTs with previously denied claims would refile their claims or how many new claims would be filed in the future. Therefore, the fiscal implication of the bill cannot be determined.

Local Government Impact

It is unknown how many detention officers, corrections employees, firefighters, peace officers, or EMTs with previously denied claims would refile their claims or how many new claims would be filed in the future. Therefore, the fiscal implication of the bill on units of local government cannot be determined.

The Texas Association of Counties Risk Management Pool (TAC RMP) provides coverage for approximately 16 percent of law enforcement officers, jailers and detention officers statewide. These employee classifications for first responders, jailers and detention officers report approximately 72 percent of the TAC RMP's COVID-19 claims. TAC RMP has received a total of 1212 claims as of April 11, 2021. Based on application of the current administrative code for workers' compensation, TAC RMP projects yearend incurred reserves up to $17 million for TAC members' first responder, jailer, and detention officers alone. TAC anticipates that provisions of the bill that allow employees to refile previously denied claims could increase costs by approximately $8.0 million.

The City of Houston cannot determine the fiscal impact to the city. The City of Plano anticipates a fiscal impact

to the city, ranging from $500,000 to $2.24 million annually.

Bexar County anticipates a significant fiscal impact.

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 405 Department of Public Safety, 454 Department of Insurance, 458 Alcoholic Beverage Commission, 479 State Office of Risk Management, 644 Juvenile Justice Department, 696 Department of Criminal Justice, 802 Parks and Wildlife Department

LBB Staff: JMc, SZ, SD, BRI, AF