## **FISCAL NOTE**

## Requested by Legislative Council 12/22/2008

Bill/Resolution No.: SB 2071

1A. **State fiscal effect:** Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

|                | 2007-2009       | Biennium    | 2009-2011       | Biennium    | 2011-2013 Biennium |             |  |
|----------------|-----------------|-------------|-----------------|-------------|--------------------|-------------|--|
|                | General<br>Fund | Other Funds | General<br>Fund | Other Funds | General<br>Fund    | Other Funds |  |
| Revenues       |                 |             |                 |             |                    |             |  |
| Expenditures   |                 |             |                 |             |                    |             |  |
| Appropriations |                 |             |                 |             |                    |             |  |

1B. County, city, and school district fiscal effect: Identify the fiscal effect on the appropriate political subdivision.

| 2007-2009 Biennium |        | 2009-2011 Biennium  |          |        | 2011-2013 Biennium  |          |        |                     |
|--------------------|--------|---------------------|----------|--------|---------------------|----------|--------|---------------------|
| Counties           | Cities | School<br>Districts | Counties | Cities | School<br>Districts | Counties | Cities | School<br>Districts |
|                    |        |                     |          |        |                     |          |        |                     |

2A. **Bill and fiscal impact summary:** Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

The proposed legislation provides that individuals who either own or hold under lease a motor vehicle (truck) may be considered independent contractors and exempt from WSI coverage if certain factors are met.

B. **Fiscal impact sections:** Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.

WORKFORCE SAFETY & INSURANCE 2009 LEGISLATION SUMMARY OF ACTUARIAL INFORMATION

BILL NO: SB 2071

BILL DESCRIPTION: Exemption for Independent Truckers

SUMMARY OF ACTUARIAL INFORMATION: Workforce Safety & Insurance, together with its actuary, Glenn Evans of Pacific Actuarial Consultants, has reviewed the legislation proposed in this bill in conformance with Section 54-03-25 of the North Dakota Century Code.

The proposed legislation provides that individuals who either own or hold under lease a motor vehicle (truck) may be considered independent contractors and exempt from WSI coverage if certain factors are met.

FISCAL IMPACT: Eliminating the requirement of coverage for certain members of the trucking industry should not have an impact on statewide premium levels. To the extent that some independent owner operators opt out of the workers' compensation system, collected premiums will decline; but WSI should realize a reduction in losses that will offset the drop in income.

DATE: January 6, 2009

- 3. State fiscal effect detail: For information shown under state fiscal effect in 1A, please:
  - A. **Revenues:** Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

- B. **Expenditures:** Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.
- C. **Appropriations:** Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.

| Name:         | John Halvorson | Agency:        | WSI        |
|---------------|----------------|----------------|------------|
| Phone Number: | 328-6016       | Date Prepared: | 01/06/2008 |