

Bill/Resolution No.: SB 2350

Amendment to: SB 2350

Requested by: Senator Chester Reiten, Chairman

Date of Receipt: _____

Industry Business & Labor Committee

Please estimate the fiscal impact of the above measure for:

State general or special funds Counties Cities

In the following space note the fiscal effect in dollars of this measure:

Narrative: This fiscal note deals with the fiscal effect of the amendment proposed by Senator Lashkowitz to SB 2350.

Senator Lashkowitz' amendment would have a substantial fiscal effect on the Workmen's Compensation Fund. It would be necessary to establish additional reserves of \$21,000,000.

This amount represents the entire Fund balance, or unallocated reserves that had been accumulated by the Workmen's Compensation Fund as of June 30, 1981. Only those unallocated reserves accumulated from July 1, 1981 to the present would then be available to meet unexpected losses that might occur through a natural catastrophe, the increasing costs of medical claims, or an increase in the human life span.

All provisions of this bill state there are to be no premium increases resulting from this legislation from July 1, 1983 through June 30, 1985, but nevertheless can be safely said for every additional dollar in benefits paid out, there must be an additional dollar paid into the Fund, or a dollar that is not returned to the employers in the form of premium reductions.

State Fiscal Effect:

<u>1983-84</u>		<u>1984-85</u>		<u>Biennium Total</u>	
<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>
(\$21,000,000)	Unknown	Unknown	Unknown	(\$21,000,000)	Unknown

County and City Fiscal Effect:

<u>1983-84</u>		<u>1984-85</u>		<u>Biennium Total</u>	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>
Unknown	Unknown	Unknown	Unknown	Unknown	Unknown

If additional space is needed, attach a supplemental sheet.

Signed Margaret Bushee

Typed Name Margaret Bushee, Chairman

Date prepared: 2-7-83

Department Workmen's Compensation Bureau