

(Return in triplicate)

FISCAL NOTE

JAN 9 1987

Bill/Resolution No.: Senate Bill No. 2229 Amendment to: _____

Requested by: Legislative Council Date of Receipt: January 5, 1987

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 bill would eliminate the cap of \$175,000 on death benefits paid to claimants' surviving spouses. This bill makes the elimination of the cap retroactive to 1983, when it was first placed on death benefits.

Estimated cost of increased benefits awarded in periods subsequent to the effective date of the bill are approximately \$1.8 million per year, based on death claims filed in 1983-85 biennium.

In addition, an adjustment to all awards made from July 1, 1983, to the present, would require approximately \$7.1 million.

The Bureau's consulting actuary estimates that the increase in premium to employers resulting from the \$1.8 million amount from the bill's effective date forward would result in a future rate increase of 2.2 per cent annually.

The actuary estimates that the retroactive feature, if spread over four years, would make the total annual increase to employers' premium rate 4.4 per cent. To recover the retroactive amount over two years, employers' rates would go up 6.6 per cent over the next two years.

State Fiscal Effect:

<u>1987-88</u>		<u>1988-89</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>
\$1,800,000		\$1,800,000		\$3,600,000	
		(plus prorated \$7.1 million cost over two or four years)			

County and City Fiscal Effect:

<u>1987-88</u>		<u>1988-89</u>		<u>Biennium Total</u>	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>

If additional space is needed, attach a supplemental sheet.

Signed Katherine Satrom

Typed Name Katherine Satrom, Chairman

Date Prepared: January 9, 1987

Department ND Workmen's Compensation Bureau