

FISCAL NOTE

Requested by Legislative Council

12/24/2002

Bill/Resolution No.: HB 1060

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.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

NORTH DAKOTA WORKERS COMPENSATION 2003 LEGISLATION SUMMARY OF ACTUARIAL INFORMATION

BILL DESCRIPTION: Claims

BILL NO: HB 1060

SUMMARY OF ACTUARIAL INFORMATION: North Dakota Workers Compensation, 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 simplifies formula for average weekly wage calculation of a self-employed employer; simplifies definition of seasonal employment; clarifies the mechanism available to enforce subpoenas issued by NDWC; increases the remodeling and adaptation allowance for the catastrophically injured from \$20,000 to \$50,000; clarifies that combined partial disability benefits, dependency allowance, and post-injury earnings cannot exceed an injured worker's pre-injury net wage; increases the death benefit cap from \$197,000 to \$250,000 for deaths occurring after August 1, 2003; eliminates the remarriage penalty for death benefit recipients; provides for lump sum settlement payments in death claims and for NDWC to utilize structured settlements; provides a civil action for damages and provides a civil cause of action and a criminal offense for willful retaliation by employers against employees for filing a workers' compensation claim; and repeals binding arbitration.

FISCAL IMPACT: The provision increasing the death benefit cap from \$197,000 to \$250,000 will result in a rate level increase of approximately 0.5%. Since this provision will be applied prospectively, it will result in no change to existing reserve levels. It is anticipated that remaining provisions of this proposed bill will not have a material impact on statewide rate and reserve levels.

DATE: January 6, 2003

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, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

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Agency: NDWC
Date Prepared: 01/08/2003