

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE

House Bill 40 (Delegate Curran)  
Economic Matters

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**State Use Industries - Workers' Compensation Coverage for Employees - Repeal of Sunset**

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This bill repeals the September 30, 1997 sunset provision of the statute that applies the State's workers' compensation laws to the coverage of certain prisoners employed by State Use Industries. This bill is effective July 1, 1997.

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**Fiscal Summary**

**State Effect:** State special fund revenue and expenditures for State Use Industries' Private Industry Enhancement Program would continue in FY 1998 as discussed below.

**Local Effect:** None.

**Small Business Effect:** State Use Industries would continue to pay the costs of workers' compensation coverage for small businesses that may be eligible to participate in the Private Industry Enhancement Program.

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**Fiscal Analysis**

**State Effect:** State revenues and expenditures will be maintained because the bill allows continuation of the Private Industry Enhancement Program. Currently, the program has no participating employers, and hence no revenues, no covered employees, and no workers' compensation costs. State Use Industries, however, forecasts initial employer participation in the program in fiscal 1998, and growth thereafter. State Use Industries forecasts \$40,000 in revenues and \$1,400 in "profits" for fiscal 1998 after subtracting operating expenses. Of this amount, \$30,000 in revenues and \$1,100 in profits would be attributable to repeal of the sunset. Fiscal 1999 projections call for \$80,000 in revenues and \$2,700 in profits. Should the program begin to recruit private employers, State Use Industries would use the Injured

Workers' Insurance Fund (IWIF) as its workers' compensation administrator to cover its employees working for private employers.

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**Information Source(s):** State Use Industries, Workers' Compensation Commission,  
Department of Fiscal Services

**Fiscal Note History:** First Reader - January 13, 1997  
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