

SENATE BILL 66

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1999 Regular Session  
9r0097

(PRE-FILED)

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By: **Chairman, Finance Committee and Chairman, Budget and Taxation  
Committee (Departmental - Uninsured Employers' Fund)**

Requested: July 27, 1998  
Introduced and read first time: January 13, 1999  
Assigned to: Finance and Budget and Taxation

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Committee Report: Favorable with amendments  
Senate action: Adopted  
Read second time: March 10, 1999

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Uninsured Employers' Fund - Special Fund**

3 FOR the purpose of repealing the requirement that the Workers' Compensation  
4 Commission pay certain tax money into the General Fund to reimburse the  
5 State for the expense of administering the Uninsured Employers' Fund;  
6 ~~repealing~~ altering a provision of law that requires the suspension and  
7 resumption of a certain assessment depending on the amount of the Uninsured  
8 Employers' Fund; requiring the proposed annual budget of the Uninsured  
9 Employers' Fund to include an appropriation to fund the Fund's operations; and  
10 generally relating to the Uninsured Employers' Fund.

11 BY repealing and reenacting, with amendments,  
12 Article - Labor and Employment  
13 Section 9-316(f), 9-1007, 9-1011, and 10-316  
14 Annotated Code of Maryland  
15 (1991 Volume and 1998 Supplement)

16 ~~BY repealing~~  
17 ~~Article - Labor and Employment~~  
18 ~~Section 9-1011~~  
19 ~~Annotated Code of Maryland~~  
20 ~~(1991 Volume and 1998 Supplement)~~

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
22 MARYLAND, That the Laws of Maryland read as follows:

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**Article - Labor and Employment**

2 9-316.

3 (f) The Commission shall pay the money that it collects for the tax under this  
4 section into the State Treasury to reimburse the State for the expense of  
5 administering[:

6 (1)] this title[; and

7 (2) the Uninsured Employers' Fund Board under § 10-316(b) of this  
8 article].

9 9-1007.

10 (a) Except as provided in subsection (b) of this section, the Commission shall  
11 impose against an employer or, if insured, its insurer an assessment equal to 1% of:

12 (1) each award against the employer for permanent disability or death,  
13 including awards for disfigurement or mutilation; and

14 (2) each amount payable by the employer or its insurer under a  
15 settlement agreement approved by the Commission.

16 (b) [Notwithstanding the limit on the balance of the Fund under § 9-1011 of  
17 this subtitle, if] IF the Board determines that the reserves of the Fund are inadequate  
18 to meet anticipated losses, the Board may direct the Commission to assess an  
19 additional 1% under subsection (a) of this section.

20 (c) Any fractional dollar of payment under this section shall be rounded off to  
21 the nearest whole dollar.

22 (d) The Commission shall direct payment of an assessment under subsection  
23 (a) or (b) of this section into the Fund.

24 (e) Payments under this section are in addition to the payment of  
25 compensation to a covered employee or the dependents of a covered employee under  
26 this title.

27 ~~§~~9-1011.

28 (a) (1) When the amount of the Fund equals at least ~~\$2,500,000~~ \$5,000,000,  
29 the payment of assessments by employers and insurers is suspended.

30 (2) The Director shall notify each self-insured employer and insurer of  
31 the suspension of the payment of assessments under paragraph (1) of this subsection.

32 (b) (1) Payment of assessments shall be resumed if:

1 (i) the amount of the Fund becomes less than ~~\$1,000,000~~  
2 \$3,000,000 because of payments made under § 9-1002 of this subtitle or other  
3 payments; or

4 (ii) the Director determines that payments that are likely to be  
5 made from the Fund in the next 3 months will reduce the amount of the Fund to less  
6 than ~~\$1,000,000~~ \$3,000,000.

7 (2) When payment of assessments is to be resumed under paragraph (1)  
8 of this subsection, the Director shall notify each self-insured employer and insurer  
9 that payment of assessments is to:

10 (i) resume on a specified date; and

11 (ii) continue until the amount of the Fund becomes at least  
12 ~~\$2,500,000~~ \$5,000,000.

13 10-316.

14 (a) The Board shall supervise the administration of the Fund.

15 (b) (1) The Fund annually shall submit to the Governor a proposed budget  
16 for the Fund, for inclusion in the budget bill to be submitted to the General Assembly.

17 (2) The proposed budget shall include an appropriation from the  
18 [General Fund of the State for the administrative costs of the Board] FUND FOR ITS  
19 BUDGET.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
21 effect ~~October~~ July 1, 1999.