

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

Senate Bill 32 (Chairman, Finance Committee)
(Departmental - Subsequent Injury Fund Board)

Finance

Workers' Compensation - Subsequent Injury Fund - Assessment

This departmental bill extends the assessment to fund the Subsequent Injury Fund from June 30, 1999 to June 30, 2003.

Fiscal Summary

State Effect: State finances for the Subsequent Injury Fund would continue through FY 2003.

Local Effect: None.

Small Business Effect: The Subsequent Injury Fund has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Fiscal Analysis

State Revenues: State revenues will be maintained because the bill proposes to continue the 6.5% assessment on all permanent injury awards and settlements based on workers' compensation claims through June 30, 2003. The assessment is paid by employers or insurers as directed by the Workers' Compensation Commission.

The Subsequent Injury Fund compensates injured workers whose preexisting injuries, diseases, or congenital conditions are substantially worsened by their current injuries.

Employers or their insurers are only liable for damage caused by current injuries. The fund is liable for damage from the combined effects of any injuries and conditions.

Revenue from the 6.5% assessment on all workers' compensation permanent disability or death awards or settlements provide the sole source of funds for benefit claims (non-budgeted) and the agency's budgeted administrative expenditures. The fund collected approximately \$15.8 million in revenues in fiscal 1998 from the assessment and paid approximately \$12.9 million in claims.

State Expenditures: State expenditures will be maintained because the bill proposes to continue the 6.5% assessment to fund the Subsequent Injury Fund. The fiscal 2000 budget allowance includes approximately \$1.5 million in special fund administrative expenditures for the fund. Out-year expenditures are expected to remain relatively constant.

Information Source(s): Injured Workers' Insurance Fund; Subsequent Injury Fund; Uninsured Employers' Fund; Workers' Compensation Commission; National Council on Compensation Insurance, Inc.; Department of Legislative Services

Fiscal Note History: First Reader - January 19, 1999

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