
By: **Delegate Brown**
Introduced and read first time: February 4, 2002
Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Workers' Compensation - Tax - Calculation**

3 FOR the purpose of modifying the calculation of the tax on insurers who pay
4 compensation benefits claims; requiring certain insurers to report certain
5 information to the Workers' Compensation Commission; and generally relating
6 to workers' compensation.

7 BY repealing and reenacting, with amendments,
8 Article - Labor and Employment
9 Section 9-316
10 Annotated Code of Maryland
11 (1999 Replacement Volume and 2001 Supplement)

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

14 **Article - Labor and Employment**

15 9-316.

16 (a) (1) In this section the following words have the meanings indicated.

17 (2) ["Insured payroll" means the payroll of an employer who:

18 (i) is subject to this title; and

19 (ii) has obtained insurance for its covered employees from an
20 insurer.

21 (3)] "Insurer" means:

22 (i) a stock corporation or mutual association that is authorized
23 under the Insurance Article to provide workers' compensation insurance in the State;

24 (ii) the Injured Workers' Insurance Fund;

1 (iii) a governmental self-insurance group that meets the
2 requirements of § 9-404 of this title;

3 (iv) a self-insurance group of private employers that meets the
4 requirements of Title 25, Subtitle 3 of the Insurance Article; or

5 (v) an individual employer that self-insures in accordance with §
6 9-405 of this title.

7 (b) Out of money appropriated for the maintenance of the Commission, the
8 State shall pay the salaries, administrative expenses, and all other expenses of the
9 Commission, including:

10 (1) the costs of the administration of the Occupational Safety and Health
11 Program by the Commissioner of Labor and Industry under Title 5 of this article; and

12 (2) any cost incurred by the State, including contribution as an employer,
13 because of the participation of a Commissioner in the Judges' Retirement System of
14 the State of Maryland.

15 (c) The Commission shall assess against and collect from each insurer a tax
16 for the maintenance of the Commission.

17 (d) (1) For each fiscal year, as early as practicable in the fiscal year, the
18 Commission shall calculate for each insurer the tax for the maintenance of the
19 Commission in accordance with this section.

20 (2) [First, the] THE Commission shall calculate the TOTAL assessment
21 [percentage] by[:

22 (i)] determining the appropriation for the expenses of the
23 Commission for the current fiscal year as:

24 [1.] (I) increased by any amount the actual expenditures of
25 the Commission for the previous fiscal year exceeded the appropriation for that fiscal
26 year; or

27 [2.] (II) decreased by any amount the actual expenditures for
28 the previous fiscal year were less than the appropriation for that fiscal year]; and

29 (ii) dividing the amount determined under (i) of this paragraph by
30 the total insured payroll of all insurers].

31 (3) THE COMMISSION SHALL CALCULATE THE ASSESSMENT FOR EACH
32 INSURER BY:

33 (I) DIVIDING THE TOTAL OF EACH INSURER'S COMPENSATION
34 PAYMENTS FOR THE PREVIOUS YEAR BY THE TOTAL COMPENSATION PAYMENTS OF
35 ALL INSURERS IN THE PREVIOUS YEAR; AND

1 (II) [Then, the Commission shall apply the assessment percentage
2 determined under paragraph (2) of this subsection to the insured payroll of each
3 insurer.] MULTIPLYING THE AMOUNT DETERMINED IN SUBPARAGRAPH (I) OF THIS
4 PARAGRAPH BY THE AMOUNT OF THE TOTAL ASSESSMENT DETERMINED UNDER
5 PARAGRAPH (2) OF THIS SUBSECTION.

6 (4) EACH INSURER SHALL PROVIDE THE COMMISSION WITH A REPORT
7 DETAILING THE AMOUNT OF COMPENSATION PAID DURING THE YEAR IN THE
8 MANNER AND FORM PRESCRIBED BY THE COMMISSION.

9 (e) Payment of the tax assessed under this section may be enforced by a civil
10 action in the name of the State.

11 (f) The Commission shall pay the money that it collects for the tax under this
12 section into the State Treasury to reimburse the State for the expense of
13 administering this title.

14 (g) The Commission may:

15 (1) examine payrolls and require reports from employers and insurers as
16 may be reasonable and necessary to carry out this section; and

17 (2) adopt regulations to carry out this section.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
19 effect October 1, 2002.