

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

Senate Bill 800
Finance

(Senator Kittleman)

Workers' Compensation Commission - Stay of an Order Pending an Appeal

This bill authorizes a court, on a motion and after a hearing, to grant a stay of an order of the Workers' Compensation Commission (WCC) regarding accrued additional permanent partial disability (PPD) payments. The court may require the party bringing the motion to post a bond or provide other collateral as a condition of the stay. Payments are stayed until the court rules on the appeal of the WCC order.

Fiscal Summary

State Effect: Because it is assumed that this bill would apply in a limited number of cases, State finances should not be materially affected. The Injured Workers' Insurance Fund estimates that this bill could potentially apply to approximately 65 cases per year and only a fraction of those cases would be candidates for a motion to stay.

Local Effect: None.

Small Business Effect: Potential minimal.

Analysis

Current Law: When WCC makes an order for payment of PPD, the employer/insurer is required to pay the benefits even during subsequent appeals. There is no current provision for a stay pending appeal.

Background: The Maryland Court of Appeals issued an opinion *Gleneagles, Inc., et al. v Linda M Hanks* 385 Md. 492 (2005) which upheld that an employer/insurer is not entitled to a stay or an injunction of a workers' compensation award pending judicial

review. In May of 2003, WCC issued an order for compensation for Ms. Hanks which resulted in a liability for Gleneagles, Inc of \$93,906 and from the Subsequent Injury Fund of \$34,560. Gleneagles filed a petition for judicial review in the circuit court for Harford County and a request for Immediate Temporary Restraining Order and Request for Stay and/or Preliminary Injunction, which was granted. The Court of Appeals opinion determined that the lower court did not have the authority to grant the injunctive relief based on statutory law.

Additional Information

Prior Introductions: None.

Cross File: HB 1019 (Delegate Wood) – Economic Matters.

Information Source(s): Uninsured Employers' Fund, Workers' Compensation Commission, Injured Workers' Insurance Fund, Subsequent Injury Fund, Maryland Insurance Administration, Department of Legislative Services

Fiscal Note History: First Reader - February 16, 2006
nas/jr

Analysis by: Karen S. Benton

Direct Inquiries to:
(410) 946-5510
(301) 970-5510