

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

House Bill 293

(Chair, Economic Matters Committee)(By Request -
Departmental - Uninsured Employers' Fund)

Economic Matters

Finance

Worker's Compensation - Uninsured Employers' Fund

This departmental bill specifies that the director, rather than the board, of the Uninsured Employers' Fund (UEF) is the appointing authority for all staff and has immediate supervision and direction over fund administration. The bill also authorizes the director to employ staff in accordance with the State budget. However, the bill also (1) requires the board of UEF to review the administration of the fund by the fund's director; and (2) authorizes an employee to appeal to the board a disciplinary action taken by the director. The bill also makes certain conforming and technical changes.

Fiscal Summary

State Effect: The bill's changes are technical in nature and do not directly affect governmental finances.

Local Effect: None.

Small Business Effect: UEF has determined that this bill has minimal or no impact on small businesses (attached). Legislative Services concurs with this assessment.

Analysis

Current Law/Background: UEF protects workers whose employers are without workers' compensation insurance. If an employer does not properly compensate a claimant, UEF will directly pay the compensation benefits and medical expenses and then attempt to recover all benefits paid (plus certain assessments) from the uninsured employer. UEF is special funded by a statutorily mandated assessment on workers'

compensation awards as well as by penalties collected from uninsured employers and revenues from the recovery of benefits paid out for uninsured claims.

The board of UEF consists of three members who are appointed by the Governor (with the advice and consent of the Senate) and serve four-year terms. Of the three members, one must represent labor, one must represent management, and one must represent the general public.

UEF advises that the bill is needed to clarify the respective roles of the director – with whom appointing authority resides – and the board, which retains a role in oversight and appeals. In addition, the bill’s provision relating to appeals makes the fund’s procedures consistent with those of other divisions and with the State Personnel and Pensions Article, which authorizes an employee to appeal a disciplinary action to the head of the principal unit.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Uninsured Employers’ Fund, Workers’ Compensation Commission, Department of Legislative Services

Fiscal Note History: First Reader - February 20, 2012
mc/ljm

Analysis by: Jennifer A. Ellick

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

ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Workers' Compensation – Uninsured Employers' Fund

BILL NUMBER: HB 293

PREPARED BY: Uninsured Employers' Fund

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

 X WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESS

OR

 WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.