

**Department of Legislative Services**  
Maryland General Assembly  
2014 Session

**FISCAL AND POLICY NOTE**

Senate Bill 130

(Chair, Finance Committee)(By Request - Departmental -  
Labor, Licensing and Regulation)

Finance

Economic Matters

**Commissioner of Labor and Industry and Workers' Compensation Commission -  
Reports of Accidental Injury or Disability - Electronic Sharing**

This departmental bill repeals the requirement that an employer send to the Commissioner of Labor and Industry a copy of each report of a workplace accident or injury that the employer is also required to send to the Workers' Compensation Commission (WCC) or submits to the Injured Workers' Insurance Fund (IWIF). The bill also repeals the requirement that WCC report to the Commissioner of Labor and Industry whenever WCC believes that there has been an excessive or a high rate of industrial injuries associated with an employer or industry. Instead, WCC must provide the Commissioner of Labor and Industry with electronic access to the data contained in the accidental personal injury or occupational disease reports filed with WCC.

The bill takes effect July 1, 2014.

**Fiscal Summary**

**State Effect:** Reducing the reporting requirements does not materially affect governmental expenditures. The Department of Labor, Licensing, and Regulation (DLLR) and WCC can handle the bill's requirements with existing budgeted resources.

**Local Effect:** Potential minimal decrease in expenditures from reducing the administrative burden for local governments.

**Small Business Effect:** DLLR has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment as discussed below.

## Analysis

**Current Law:** Under the Maryland Workers' Compensation Act, if an accidental personal injury causes disability for more than three days or death, the employer must report the accidental personal injury and the disability or death to WCC within 10 days after receiving oral or written notice of the disability or death. Additionally, if an employer learns or receives notice that a covered employee has been disabled due to an occupational disease, the employer must promptly report the disability to WCC. Each such report must state:

- whether the accidental personal injury or occupational disease arose out of and in the course of employment;
- the time, cause, and nature of the disability and the accidental personal injury or occupational disease;
- the probable duration of the disability; and
- any other information that WCC may require by regulation.

An employer must send to the Commissioner of Labor and Industry a copy of each report of an accident or injury that the employer is required to send under the Maryland Workers' Compensation Act to WCC or submits to IWIF.

WCC must report to the Commissioner of Labor and Industry whenever WCC believes that there has been an excessive or a high rate of industrial injuries associated with an employer or industry.

**Background:** The Commissioner of Labor and Industry receives copies of 60,000 accident or injury reports annually that are submitted to WCC. However, due to the high volume, the Division of Labor and Industry is not able to manually enter every report into a database.

The reference to IWIF in current law is obsolete. Chapter 570 of 2012 converted IWIF into a private, nonprofit, nonstock workers' compensation insurer named the Chesapeake Employers' Insurance Company. Chesapeake does not receive any reports from employers.

**State Expenditures:** By eliminating the filing requirement to the Commissioner of Labor and Industry, the bill eases the administrative burden on State employers. Since only approximately 10% of the reports received by the Commissioner of Labor and Industry are from State or local agencies, the effect is a potential minimal decrease in administrative burden.

DLLR and WCC can handle the minimal increase in software expenses and ensure secure access to data with existing resources.

**Small Business Effect:** Small businesses may benefit from no longer being required to submit to the Commissioner of Labor and Industry a copy of each report of an accident or injury that the employer is required to send to WCC.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Labor, Licensing, and Regulation; Workers' Compensation Commission; Department of Legislative Services

**Fiscal Note History:** First Reader - January 7, 2014  
ns/mcr

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## ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Commissioner of Labor and Industry and Workers' Compensation  
Commission – Report of Accidental Injury or Disability – Electronic  
Sharing

BILL NUMBER: SB 130

PREPARED BY: Department of Labor, Licensing and Regulation

### PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

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 a minimal impact on small business in  
Maryland.