

PREPARED BY: Suzanne Houlden
 DATE PREPARED: February 06, 2023
 PHONE: 402-471-0057

LB 101

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

The intent of LB 101 is to provide small employers with the opportunity to file a waiver with the Workers' Compensation Court that would make clear that a potential contractor would not be held liable for claims in the event of a workplace accident. Currently, employers with fewer than ten (10) employees are not required to carry Workers' Compensation Insurance. Larger companies who would want to subcontract with a smaller company may be hesitant to do so due to the assumption that the larger company may be held liable in the event of a workplace accident.

The Workers' Compensation Court asserts that lost revenues would be likely, though unquantifiable at this time, since the result could be fewer employers paying the related Workers' Compensation assessments as provided for in Section 48-1,113.

However, if smaller employers are already exempt from providing Workers' Compensation Insurance, then those smaller employers are already not paying the assessments described in Section 48-1,113.

The Court does not have sufficient information to quantify their anticipated reduction in premium assessments that would feed to the Workers' Compensation Court Cash Fund. As such, even if the assessments were reduced, the Fiscal Office cannot confirm a direct fiscal impact to the State.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 101	AM:	AGENCY/POLT. SUB: Nebraska Workers' Compensation Court (037)
REVIEWED BY: Joe Wilcox	DATE: 01/18/2023	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Nebraska Workers' Compensation Court estimate of potential, but Indeterminable Cash Fund Revenue impact to the Agency from LB 101.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 101	AM:	AGENCY/POLT. SUB: Dept of Administrative Services – Risk Management
REVIEWED BY: Jacob Leaver	DATE: 1/17/2023	PHONE: (402) 471-4173
COMMENTS: The Department of Administrative Services – Risk Management Division's estimate of no fiscal impact as a result of LB 101 seems reasonable.		

Please complete ALL (5) blanks in the first three lines.

2023

LB⁽¹⁾ 101

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Workers' Compensation Court

Prepared by: ⁽³⁾ Jill Gradwohl Schroeder Date Prepared: ⁽⁴⁾ January 13, 2023 Phone: ⁽⁵⁾ (402) 471-3602

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 101 proposes that certain employers would be exempt from the Nebraska Workers' Compensation Act. This likely would reduce the amount of assessments collected for the Compensation Court Cash Fund, which is "used to aid in providing for the expense of administering the Nebraska Workers' Compensation Act and the payment of the salaries and expenses of the personnel of the Nebraska Workers' Compensation Court." The Compensation Court Cash Fund is comprised in part through an assessment of 1 percent of the gross amount of direct writing premiums received by insurers during the preceding calendar year for workers' compensation insurance business transacted in this state. **Neb. Rev. Stat. § 48-1,113.** If certain employers aren't required to have workers' compensation insurance coverage, they will not be contributing to the premiums paid to insurers, which is very likely to negatively impact court funding. The court does not have sufficient information to quantify the anticipated reduction in premium assessments.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

2023

LB⁽¹⁾ 101

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Dept of Administrative Services (DAS) – Risk Management Division

Prepared by: ⁽³⁾ Allen D. Simpson Date Prepared: ⁽⁴⁾ 01/11/2023 Phone: ⁽⁵⁾ (402) 471-4436

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 101 provides an exemption waiver to be filed with the Director of Insurance for certain agricultural operations regarding workers compensation.

This bill would have no fiscal impact to the State's workers' compensation fund.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____