

Department of Planning and Budget 2022 Fiscal Impact Statement

1. **Bill Number:** SB226-E

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. **Patron:** McPike

3. **Committee:** Commerce and Labor

4. **Title:** Workers' compensation; notice to employees.

5. **Summary:** Requires each employer subject to the Virginia Workers' Compensation Act to provide notice to covered employees of the employees' right to dispute a claim through the Virginia Workers' Compensation Commission. Such notice must include specific text as included in the bill. The bill also provides that an employer who fails to provide such notice may be subject to the civil penalty provisions of the Virginia Workers' Compensation Act.

6. **Budget Amendment Necessary:** No.

7. **Fiscal Impact Estimates:** Indeterminate – see Item 8.

8. **Fiscal Implications:** The proposed legislation is not expected to have a fiscal impact for the Department of Human Resource Management's Office of Workers' Compensation because the agency only would have to make a minor change to the notices sent out to injured workers for denied claims.

The fiscal impact the proposed legislation would have for the Virginia Workers' Compensation Commission cannot be determined. Pursuant to § 65.2-805, if such employer fails to comply with the provisions of § 65.2-804, the employer shall be assessed a civil penalty of not more than \$250 per day for each day of noncompliance, subject to a maximum penalty of \$50,000. Any civil penalty shall be divided equally between and paid into the Virginia Workers' Compensation Commission's administrative fund and the Uninsured Employer's Fund. The Commission may add the costs of collection of such civil penalty to the aggregate civil penalty owed, in which event such costs shall be paid into the Commission's administrative fund. Any additional civil penalties collected would be offset by personnel required to track employer compliance.

9. **Specific Agency or Political Subdivisions Affected:** Department of Human Resource Management and Virginia Workers' Compensation Commission.

10. **Technical Amendment Necessary:** No.

11. **Other Comments:** No.