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## FISCAL IMPACT REPORT



SPONSOR: Rawson DATE TYPED: 02/04/02 HB \_\_\_\_\_

SHORT TITLE: Workers' Comp Exclusive Remedy Provisions SB 414

ANALYST: Woodlee

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
\$250.0				Non-Recurring	OSF/Workers' Compensation Assessment Fee Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to Senate Joint Memorial 24

### SOURCES OF INFORMATION

Workers' Compensation Administration

### SUMMARY

#### Synopsis of Bill

Senate Bill 414 appropriates \$250.0 from the Workers' Compensation Assessment Fee Fund to the Workers' Compensation Administration for fiscal years 2002 through 2004 for the purpose of contracting for a study of the effect of recent court decisions on the exclusive remedy provisions of the Workers' Compensation Act and the effects of the events of September 11 on the workers' compensation system, or any other issue related to the Workers' Compensation Act. The appropriation is also to provide technical or legal assistance to the Advisory Council on Worker's Compensation and Occupational Disease Disablement.

The bill indicates that the director of the WCA may contract with one or more independent organizations to conduct the study and seek comparisons of litigations by employees against employers outside of the workers' compensation system and the costs of such litigation.

There is an emergency clause on the bill.

Significant Issues

According to the Workers' Compensation Administration, some stakeholders are concerned that several recent New Mexico Appellate Court cases may have significant impact on the exclusive remedy doctrine in the Workers' Compensation Act, in that employees may sue employers for amounts beyond the limitations of the workers' compensation system. Additionally, the WCA suggests that if, as some claim, the court cases represent significant changes in the law, then the qualifications of the impact of those changes will be important information for policymakers.

**FISCAL IMPLICATIONS**

The appropriation of \$250.0 contained in this bill is a non-recurring expense to the Workers' Compensation Assessment Fee Fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2004 shall revert to the Workers' Compensation Assessment Fee Fund.

**RELATIONSHIP**

Senate Bill 414 relates to Senate Joint Memorial 24 which requests the Legislative Council to direct the appropriate interim committee to study the workers' compensation system.

MW/njw:ar