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FISCAL IMPACT REPORT

ORIGINAL DATE 3/06/07

SPONSOR Garcia, M.P. LAST UPDATED 3/12/07 HM 52/aHLC/aHFL#1

SHORT TITLE Study Farm and Ranch Laborer Workers Comp. SB _____

ANALYST Lucero

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		Minimal		Minimal	Non-Recurring	Workers' Compensation Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of House Floor Amendment #1

House Floor Amendment #1 to House Memorial 52, as amended by House Labor and Human Resources Committee, adds additional members to the task force to include farm and ranch advocates and persons actively engaged in the insurance industry. The amendment also strikes the requirement for the task force to draft appropriate legislation and instead requires the task force to report to the appropriate interim legislative committee.

Synopsis of HLC Amendments

The House Labor and Human Resources amendments clarify that the workers' compensation law applies to employers of three or more workers excluding the owner, and requests that the Director of the Department of Agriculture be added to the list of individuals and organizations who should receive a copy of the memorial.

Synopsis of Original Bill

House Memorial 52 requests the Workers' Compensation Administration (WCA) convene a task force to study whether to extend workers' compensation coverage for farm and ranch laborers. The task force is to be composed of equal numbers of persons who are actively engaged as farm and ranch business owners, persons who are farm and ranch laborers and their advocates and staff from WCA. It also directs WCA to report to the appropriate interim committee the conclusions and recommendations of the task force by November 2007 and to draft appropriate legislation in response to those conclusions.

The memorial directs that a copy of the memorial be transmitted to the advisory council on workers' compensation and occupational disease disablement compensation, WCA, the secretary of labor, and the governor.

FISCAL IMPLICATIONS

This memorial does not contain an appropriation. There may be a slight fiscal impact attributable to staff time and travel costs.

SIGNIFICANT ISSUES

According to the Farmworker Justice website:

http://www.fwjjustice.org/Health&Saftey/workers_comp.htm

Although agriculture is one of the nation's most hazardous industries, about half of all states allow agricultural employers to provide little or no workers compensation coverage for migrant and seasonal farm workers. There are many obstacles preventing farm workers from securing needed workers compensation benefits. They include: lack of coverage; a small, but growing trend for states to reduce or deny benefits to undocumented workers; workers' reluctance to file claims for fear of employer retaliation; and the difficulty of finding a doctor who will keep farm workers off work long enough to allow them to fully recover. Without workers compensation benefits, however, injured farm workers often forgo needed treatment or go into debt to obtain it.

Many states do not require agricultural employers to provide workers compensation coverage for migrant and seasonal farm workers. The states are almost evenly split between those that provide all or most migrant and seasonal farm workers with workers compensation coverage and those that require little or no coverage for this workforce. Specifically, only 13 states, the District of Columbia, Puerto Rico and the Virgin Islands require employers to cover seasonal agricultural workers to the same extent as all other workers. These jurisdictions are: Arizona, California, Colorado, Connecticut, the District of Columbia, Hawaii, Idaho, Massachusetts, Minnesota, Montana, New Hampshire, New Jersey, Ohio, Oregon, Puerto Rico and the Virgin Islands. In an additional 13 states (including Florida and New York), only small farmers are exempt from providing coverage to their migrant and seasonal farm workers. Moreover, employers who hire legal temporary foreign workers, under the H-2A visa program, are required to provide workers compensation insurance or equivalent benefits to their employees.

By contrast, 16 states do not require employers to provide any workers compensation insurance for migrant or seasonal farm workers. These states are: Alabama, Arkansas, Delaware, Georgia, Indiana, Kansas, Kentucky, Mississippi, Missouri, Nebraska, Nevada, **New Mexico**, North Dakota, South Carolina, Tennessee and Texas. In an additional eight states, coverage is limited to full-time workers (e.g., Maine), workers in specialty jobs (e.g., South Dakota), or those employed on large farms (e.g., Rhode Island).