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## H.B. 397 - Workers' Compensation Amendments

### Revised Fiscal Note

2007 General Session  
State of Utah

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#### State Impact

Enactment of this bill would require an appropriation of \$285,000 in General Fund (including \$15,600 in one-time costs) in FY 2009 to the Insurance Department for the additional staff and contracted expertise needed to implement the provisions of the bill. The bill may end the federal income tax benefit, estimated at \$33,000,000, which would be passed on to all customers including the state of Utah. This would be an increase of about ten percent over current rates. The State of Utah currently spends about \$8,000,000 on workers' compensation insurance so the increase would be about \$800,000 spread proportionately over all funds and agencies. Residual account reserves may be impacted and are currently estimated at \$300,000,000. There is a legislative review note attached to this bill raising constitutional issues indicating likely litigation expenses.

	<b>FY 2007</b> <b><u>Approp.</u></b>	<b>FY 2008</b> <b><u>Approp.</u></b>	<b>FY 2009</b> <b><u>Approp.</u></b>	<b>FY 2007</b> <b><u>Revenue</u></b>	<b>FY 2008</b> <b><u>Revenue</u></b>	<b>FY 2009</b> <b><u>Revenue</u></b>
General Fund	\$0	\$285,500	\$269,900	\$0	\$0	\$0
General Fund, One-Time	\$0	(\$285,500)	\$15,600	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$285,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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#### Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals. Local government entities and businesses would likely pay about 10% more in premiums generally and residual market employers would pay more as a result of provisions in this legislation.