

SENATE BILL NO. 220

1/22 Introduced
1/24 Referred to Labor & Employment Relations
1/25 Fiscal Note Requested
1/31 Fiscal Note Received
2/09 Hearing
2/21 Tabled in Committee

ORIGINAL NOTE MAY BE NECESSARY
JOINT RULE 6-36

Senate BILL NO. *220*
Richard E. Manning
Erinall

INTRODUCED BY

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING WORKERS' COMPENSATION PARTIAL DISABILITY BENEFITS FOR CERTAIN INJURIES; AMENDING SECTIONS 39-71-703 AND 39-71-709, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 39-71-703, MCA, is amended to read:

"39-71-703. Compensation for injuries causing partial disability. (1) Weekly compensation benefits for injury producing partial disability shall be 66 2/3% of the actual diminution in the worker's earning capacity measured in dollars, subject to a maximum weekly compensation of one-half the state's average weekly wage.

(2) The compensation shall be paid during the period of disability, not exceeding, however, 500 weeks in cases of partial disability. However, compensation for partial disability resulting from the loss of or injury to any member shall not be payable for a greater number of weeks than is specified in 39-71-705 for the loss of the member."

Section 2. Section 39-71-709, MCA, is amended to read:

"39-71-709. Partial disability benefits -- indemnity benefits -- election. (1) In addition to temporary total disability benefits allowed in this chapter, a worker whose

injury results in partial disability is entitled to receive compensation under 39-71-703 or indemnity benefits under 39-71-705 through 39-71-708.

(2) A worker who has elected to proceed under 39-71-705 through 39-71-708 may withdraw his election at any time and shall be entitled to compensation under 39-71-703 during the remaining period of his disability; provided, however, that he shall not be entitled to receive benefits under both 39-71-703 and 39-71-705 through 39-71-708 during any month.

(3) A worker who has elected to proceed under 39-71-703 may withdraw his election at any time and is entitled to receive indemnity benefits under 39-71-705 through 39-71-708; provided, however, that he shall not be entitled to a greater benefit, including compensation paid under 39-71-703, than he would have received if he had proceeded exclusively under 39-71-705 through 39-71-708 and provided further that he shall not be entitled to receive benefits under both 39-71-703 and 39-71-705 through 39-71-708 during any month."

NEW SECTION. Section 3. Extension of authority. Any existing authority of the division of workers' compensation to make rules on the subject of the provisions of this act is extended to the provisions of this act.

-End-

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INTRODUCED BILL
SB 220



STATE OF MONTANA
FISCAL NOTE

REQUEST NO. FNN233-85

Form BD-15

In compliance with a written request received January 25 19 85, there is hereby submitted a Fiscal Note for S.B. 220 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

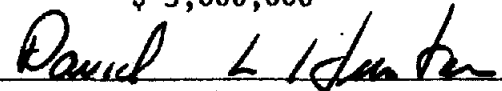
Senate Bill 220 increases workers' compensation partial disability benefits for certain injuries.

ASSUMPTIONS:

1. The deletion of the reference to the specified injury table in Section 39-71-705 in this act will have the effect of making almost all partial disability cases 500-week cases regardless of the extent of the partial disability.
2. This act will increase the cost of partial disability cases by 50% to 80%. A more definitive estimate is not possible in the time constraints of this fiscal note.
3. Partial disability reserves in the State Fund will reach \$3.5 million for each of the next two fiscal years under the present law.
4. A 50% to 80% increase will add \$1.75 million to \$2.8 million in additional costs to employers who insure with the State Fund.
5. An approximate 5% rate increase would be necessary to fund these added benefits.
6. Private insurers will experience similar premium increases since they must comply with the same law.

FISCAL IMPACT ON EXPENDABLE TRUST FUNDS:

	<u>FISCAL 1986</u>	<u>FISCAL 1987</u>	<u>BIENNIUM IMPACT</u>
Expenditures:			
Current	\$ 3,500,000	\$ 3,500,000	
Proposed	6,300,000	6,300,000	
Net Impact	\$ 2,800,000	\$ 2,800,000	\$ 5,600,000


BUDGET DIRECTOR
Office of Budget and Program Planning

Date: Jan 31, 1985

FISCAL IMPACT ON STATE AGENCIES DUE TO INCREASED WORKER'S COMPENSATION RATES:

	<u>FISCAL 1986</u>	<u>FISCAL 1987</u>	<u>BIENNIUM IMPACT</u>
General Fund	\$ 63,562	\$ 63,562	\$ 127,124
State and Federal			
Special Revenues	\$ 73,029	\$ 73,029	\$ 146,058
Proprietary Funds	\$ 10,843	\$ 10,843	\$ 21,686
Universities *	\$ <u>24,797</u>	\$ <u>24,797</u>	\$ <u>49,594</u>
 Total Impact	\$ 172,231	\$ 172,231	\$ 344,462

* Due to the method of financing University System costs, this added cost would be funded through the General Fund.