TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE

FISCAL NOTE

HB 1508 - SB 1810

March 30, 2011

SUMMARY OF BILL: Requires local governments to comply with the state workers' compensation law through the Governmental Tort Liability Act. Exempts Metro-Davidson County, Shelby Counties, Chattanooga, Clarksville, Knoxville, and the City of Memphis from the requirement.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – $12,400/One-Time
$257,100/Recurring

Assumptions:

- The Department of Labor and Workforce Development (DLWD) estimates an increase of approximately 475 requests for workers' compensation claim assistance each year. The average caseload of a workers' compensation specialist is 140 claims per year. The Department will require one additional Workers' Compensation Specialist IV position and two additional Workers' Compensation Specialist II positions, and one additional Administrative Assistant position.
- An increase in recurring state expenditures of $257,085 ($172,500 salaries + $61,285 benefits + $23,300 operational). One-time state expenditures for these four positions will be $12,400 (computers and software).
- Local governments will reimburse DLWD for claims in lieu of paying premium taxes. The net fiscal impact will be zero.
- Local governments currently offer workers' compensation insurance. Any increase in local expenditures to meet the requirements of state workers' compensation law will be not significant.
- According to the Department of Commerce and Insurance, any increase in workload can be handled within existing resources without and increased appropriation or reduced reversion.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

James W. White, Executive Director

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