

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2416 – SB 2582

February 29, 2016

**SUMMARY OF ORIGINAL BILL:** Removes the requirement that the state average weekly wage calculation be seasonally adjusted for purposes of workers' compensation claims. Decreases from 30 to 3, the number of days after an injury that written notice must be given to an employer. Authorizes an ombudsman to approve a proposed workers compensation settlement under certain circumstances. States that the Tennessee General Assembly's intent is that employers obtaining certification as a drug-free workplace, under rules promulgated by the Bureau of Workers' Compensation, should be able to renew such certification on an annual basis without requiring repeated annual training of existing employees. Specifies that the requirements of a drug free work place under Tenn. Code Ann. §50-9-111 shall not require an employer to provide annual education or awareness training for each employee, if all existing employees have undergone the training at least once and have acknowledged annually in writing the existence of the employer's drug-free workplace policy.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Revenue – \$267,300

Decrease State Expenditures – Net Impact - \$50,500

IMPACT TO COMMERCE OF ORIGINAL BILL:

Decrease Business Expenditures – \$267,300

**SUMMARY OF AMENDMENT (012793):** Deletes all language of the original bill. Decreases from 30 to 15 the number of days after an injury that written notice must be given to an employer for workers' compensation purposes. Authorizes the Court of Workers' Compensation to award attorney's fees and reasonable costs in decisions. Deletes the annual educational requirement for employers who participate in the Tennessee Drug Free Workplace program. Authorizes an ombudsman who is a licensed attorney to provide limited legal advice, but not represent any party as the party's attorney.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures - \$145,500

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Assumptions for the bill as amended:

- The bill as amended will have no impact on fee revenue to the Bureau of Workers' Compensation (BWC).
- There will be no foreseeable impact on BWC due to the reduction of the notice of injury period from 30 to 15 days. Any change in the number of workers' compensation claims is estimated to be not significant.
- Currently, there are no ombudsmen who are attorneys.
- Based on information provided by BWC, appropriations for two additional attorney ombudsman positions will be required to fulfill the provisions of the bill.
- Each attorney III position is estimated to increase recurring state expenditures by \$72,747.60 (\$53,964 salary + \$18,783.60 benefits).
- The total recurring increase in state expenditures from the General Fund is estimated to be \$145,495.20 (2 positions x \$72,747.60).

## **IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:**

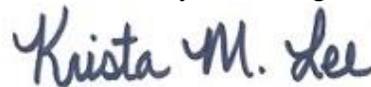
### **NOT SIGNIFICANT**

Assumptions for the bill as amended:

- The provisions of the bill as amended will not impact business expenditures.
- Any other impact to commerce or jobs in Tennessee is considered not significant.

## **CERTIFICATION:**

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



Krista M. Lee, Executive Director

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