

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1706 - HB 1869

February 29, 2016

SUMMARY OF BILL: Requires refunds to be paid out of the Second Injury Fund, to employers or their insurers, if benefits were paid and subsequently a court finds that the employee was not entitled to the benefits. Requires the refund to be paid within 30 days and establishes a 10 percent annualized interest rate on funds which are paid later than the 30-day deadline.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds \$150,000/Second Injury Fund

Assumptions:

- Based on information provided by the Bureau of Workers' Compensation, injuries occurring prior to July 1, 2014, were subject to reimbursements from the Second Injury Fund for incorrectly paid claims in the same manner as established by the provisions of this bill.
- Based on the prior annual amounts of monies paid from of the Second Injury Fund for incorrectly paid claims pursuant to the injuries occurring prior to July 1, 2014, the recurring increase in state expenditures to implement the provisions of the bill is estimated to exceed \$150,000.
- Refunds will be paid within the 30-day required time period in order to avoid interest payments. Therefore, the extent to which the ten percent interest penalty will impact total expenditures is estimated to be not significant.

IMPACT TO COMMERCE:

Increase Business Revenue – Exceeds \$150,000

Assumptions:

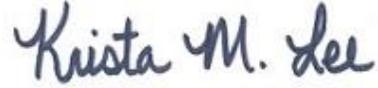
- The provisions of the bill will result in a recurring increase in business revenue estimated to exceed \$150,000.

SB 1706 - HB 1869

- The provisions of the bill are not anticipated to have a significant impact on jobs in Tennessee.

CERTIFICATION:

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

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/dwl