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## FISCAL IMPACT REPORT

SPONSOR: Papen DATE TYPED: 3/05/03 HB \_\_\_\_\_  
 SHORT TITLE: Workers' Comp for State Defense Force SB 739/aSCORC  
 ANALYST: Collard

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	NFI				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

Responses Received From  
 Workers' Compensation Administration  
 Department of Military Affairs

### SUMMARY

#### Synopsis of SCORC Amendment

The Senate Corporations and Transportation Committee removes the section of the bill pertaining to state-ordered militia "traveling directly to or from that duty," as discussed below.

#### Synopsis of Original Bill

Senate Bill 739 extends workers' compensation benefits to members of the state defense force when the members are on "state-ordered militia duty" or are traveling "to or from that duty." The "employer" under state law would be the Department of Military Affairs.

### OTHER SUBSTANTIVE ISSUES

The Workers' Compensation Advisory Council tabled this bill at the last meeting, but the council is anticipated to endorse it at the next meeting on March 13, 2003.

#### Significant Issues

This bill is similar to Section 20-5-12 before it was repealed by Laws 1993, Chapter 193, Section 14.

## **FISCAL IMPLICATIONS**

There is no appropriation or significant fiscal impact associated with this bill.

## **ADMINISTRATIVE IMPLICATIONS**

The Department of Military Affairs indicates this bill will increase state defense force efficiency, recruitment and membership because members serving in an authorized duty status would have confidence of insurance coverage if injured on the job. The department also indicates a small increase in the responsibility of the administration for workers' compensation claims.

The Workers' Compensation Administration indicates that the coverage for the state defense force is limited, so the likelihood of significant administrative impacts is small.

## **TECHNICAL ISSUES**

The Department of Military Affairs has spoken with the sponsor and notes on page 1, lines 19 and 20, "or is traveling directly to or from that duty" should be deleted.

## **OTHER SUBSTANTIVE ISSUES**

The Department of Military Affairs indicates this bill would provide for Worker's Compensation coverage for state defense force members who could be injured when activated by the adjutant general or the governor. The state defense force has not been placed on state-ordered militia duty for over 20 years. There are currently 85 state defense force members; they average 52.5 years of age. The department also notes there is no history of state-ordered militia duty, therefore it is difficult to project workers' compensation claims. However, assuming 85 state defense force members were activated on state-ordered militia duty for an entire year, the department would expect five or six workers' compensation claims for that period. The Department of Military Affairs supports enactment of this legislation.

The Workers' Compensation Advisory Council has had a process in place for several years for the review of proposed legislation affecting the workers' compensation system, pursuant to its statutory mandate. The prior council had a series of public meetings during the summer of 2002 where legislative proposals for this session were discussed. At the council's request, proposals involving changes to workers' compensation benefits were analyzed for their costs by the Workers' Compensation Administration research staff, the National Council on Compensation Insurance and New Mexico Mutual Casualty Company. This proposal has never been submitted to or reviewed by either the former or current Workers' Compensation Advisory Council. It is the position of the current Workers' Compensation Advisory Council that, at the present time, it opposes this bill. The bill will likely be reviewed on February 26.

**KBC/njw:sb**