NOTE: As provided in LFC policy, this report is intended only for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used for other purposes.

The most recent FIR version (in HTML & Adobe PDF formats) is available on the Legislative Website. The Adobe PDF version includes all attachments, whereas the HTML version does not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

| SPONSOR: | A. Lujan | DATE TYPED: | 2/17/03 I | HB | 499 |
|-------------|-----------------------|-----------------|-----------|-----|---------|
| SHORT TITLE | : Duration of Workers | ' Comp Benefits | S | SB | |
| | | | ANALYS | ST: | 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
Corrections Department
New Mexico State Highway and Transportation Department

SUMMARY

Synopsis of Bill

House Bill 499 extends the maximum duration of partial disability benefits from 500 weeks to 700 weeks, except where the partial disability results from a primary mental impairment or secondary mental impairment.

FISCAL IMPLICATIONS

Although there is not an appropriation attached to House Bill 499, the Workers' Compensation Administration (WCA), the Corrections Department and the New Mexico State Highway and Transportation Department note that workers' compensation insurance premiums will increase.

OTHER SUBSTANTIVE ISSUES

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

House Bill 499 -- Page 2

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 New Mexico State Highway and Transportation Department notes this is a significant change in workers' compensation rules. This bill expansion in the time frame of benefits will result in potentially large increases in costs associated in settling claims.

KBC/njw.prr