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FISCAL IMPACT REPORT

SPONSOR: SCORC DATE TYPED: 02/25/03 HB _____

SHORT TITLE: Workers' Comp Technical Revisions SB 646/aSCORC

ANALYST: Gilbert

APPROPRIATION

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

(Parenthesis () Indicate Expenditure Decreases)

Relates/Conflicts with HB 505

SOURCES OF INFORMATION

LFC Files

Response Received From

Workers' Compensation Administration (WCA)

SUMMARY

Synopsis of SCORC Amendment

The Senate Corporations and Transportation Committee amendment to Senate Bill 646 makes non-substantive technical corrections on page 4, line 21 and line 22 to clarify the definition of "executive employee".

Synopsis of Original Bill

Senate Bill 646 amends NMSA 1978, § 52-1-1.1, by making numerous technical revisions to the Workers' Compensation Act. The bill also strikes language that administratively attaches the Workers' Compensation Administration (WCA) to the Department of Labor (DOL).

Significant Issues

The technical revisions made in SB 646 are outlined below:

- Revisions to Section 2 remove an inconsistency between this section and §52-1-6.
- Section 3 revisions clarify that the provisions of §52-1-7 apply to limited liability companies as well as corporations.
- Section 4 clarifies the deadline for the first payment of indemnity benefits to a worker.
- Section 5 amends the scheduled injury provisions to clarify that the reference in subsection C is to subsection A injuries.
- Section 6 allows out of state employers to be subject to the same range of sanctions currently available for in-state employers for failure to maintain mandatory workers' compensation insurance.
- Section 9 allows access to Motor Vehicle Division records concerning ownership of vehicles and identities of licensed drivers to facilitate enforcement of the mandatory insurance requirement.
- Section 10 increases the threshold for consolidation of benefit payments into quarterly installments from \$25 to \$50.
- Section 11 corrects an inadvertent reference to the superintendent of insurance, left over from the 1990 reforms, in the group self-insurance section of the Act.

ADMINISTRATIVE IMPLICATIONS

According to the WCA, the clarifications contained in this bill would eliminate several areas of confusion, thus resulting in a more efficient workers' compensation system.

OTHER SUBSTANTIVE ISSUES

The Workers' Compensation Advisory Council reviewed and approved the language in this bill effecting the workers' compensation system.

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.

RELATIONSHIP, CONFLICT

Section 5 of SB 646 is not consistent with the repeal of the scheduled injury provisions proposed in HB 505

RLG/prr:sb:yr