## MAINE STATE LEGISLATURE

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2	<b>3.D.</b> 2370
_	(Filing No. H- 1142)
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8	STATE OF MAINE HOUSE OF REPRESENTATIVES 115TH LEGISLATURE
10	SECOND REGULAR SESSION
12	$\Delta$
14	COMMITTEE AMENDMENT " to H.P. 1696, L.D. 2376, "Resolve, to Establish a Blue Ribbon Commission to Examine Alternatives to
16	the Workers' Compensation System and to Make Recommendations Concerning Replacement of the Present System"
18	Amend the resolve by inserting after the title the following:
20	'Emergency preamble. Whereas, Acts and resolves of the Legislature do not become effective until 90 days after
22	adjournment unless enacted as emergencies; and
24	Whereas, the effectiveness of the workers' compensation system has become a divisive issue within the State; and
26	Whereas, the workers' compensation system can best be
28	addressed by an impartial group concentrating on the subject; and
30	Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of
3 2	Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and
34	safety; now, therefore, be it'
36	Further amend the resolve in section 1 in subsection 1 in the 2nd line (page 1, line 8 in L.D.) by inserting after the
38	following: "Act" the following: 'with the intent of reducing costs of delivery of all components of the system with
40	predictable costs and benefits'
42	Further amend the resolve in section 1 in subsection 1 in

paragraph D in the last line (page 1, line 27 in L.D.) by inserting after the following: "retraining;" the following:

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'and'

## COMMITTEE AMENDMENT " to H.P. 1696, L.D. 2376

Further amend the resolve in section 1 in subsection 1 in paragraph E in the last line (page 1, line 31 in L.D.) by striking out the following: "; and" and inserting in its place the following: '.'

Further amend the resolve in section 1 in subsection 1 by striking out all of paragraph F (page 1, lines 33 and 34 in L.D.)

Further amend the resolve in section 1 in subsection 2 in paragraph B in subparagraph (6) in the 2nd line (page 2, line 26 in L.D) by striking out the following: "responsible"

Further amend the resolve in section 1 in subsection 4 by striking out all of the 2nd paragraph (page 3, lines 16 to 19 in L.D.) and inserting in its place the following:

'The commission shall proceed with its work through committee meetings and the use of subcommittees. All meetings must be open to the public; and be it further'

Further amend the resolve by striking out all of sections 2 to 6 and inserting in their place the following:

'Sec. 2. Appointment and convening of the commission. Resolved: That the commission consists of 4 members who must be impartial and without any direct financial interests in the workers' compensation system. No member may be a Legislator. The members must be appointed in the following manner: The Governor shall choose 2 members, the President of the Senate shall choose one member and the Speaker of the House of Representatives shall choose one member. The Governor, the President of the Senate or the Speaker of the House of Representatives each has the power to veto the commission members chosen by the others. The Governor, the President of the Senate and the Speaker of the House of Representatives shall appoint the members of the commission by March 26, 1992. The Chair of the Legislative Council shall convene the first meeting of the commission no later than 14 days after the appointment of the commission. At the first meeting, the commission members shall elect a chair from among themselves; and be it further

Sec. 3. Report. Resolved: That the commission shall present the findings of the majority, together with legislation and a timetable for implementation, to the 115th Legislature by August 1, 1992. The reporting date may be extended for up to 30 days if a majority of the commission votes for an extension; and be it further

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- Sec. 4. Assistance. Resolved: That the commission may hire consultants or others to perform necessary work for the commission. If legislative staff assistance is desired, assistance may be requested from the Legislative Council; and be it further
- Sec. 5. Compensation. Resolved: That the members of the commission may be paid a reasonable compensation as unanimously agreed upon by the Governor, the President of the Senate and the Speaker of the House of Representatives. All members of the commission receive reimbursement for expenses upon application to the Executive Director of the Legislative Council. The executive director shall make a monthly report to the Legislative Council on the expenditures of the commission; and be it further
- Sec. 6. Assessment. Resolved: That workers' compensation insurers and self-insured employers shall pay a one-time assessment to fund the commission.
  - 1. Assessment on workers' compensation insurers. Every insurance company or association authorized to write workers' compensation insurance in this State shall, for the purpose of providing partial support of the commission, pay an assessment of not more than .057% on all gross direct premiums written during calendar year 1990, whether in cash or in notes absolutely payable on contracts written on risks located or resident in the State for workers' compensation insurance, less return premiums thereon and less all dividends paid to policyholders. For the purposes of this subsection, gross direct premiums do not include premiums attributable to municipalities or school administrative units.
  - 2. Assessment on self-insured employers. Every self-insured employer approved pursuant to the Maine Revised Statutes, Title 39, section 23 except for municipalities, school administrative units and the State shall, for the purpose of providing partial support of the commission, pay an assessment in an amount not exceeding .14% of aggregate benefits paid during calendar year 1990 by each member pursuant to Title 39, section 23-A, subsection 4.
  - 3. Assessment levied. The State Tax Assessor shall assess each insurance company or association and self-insured employer its pro rata share by April 15, 1992. Each insurance company or association and self-insured employer shall pay the assessment on or before May 15, 1992.
  - 4. Insurance company or association collections. Insurance companies or associations shall bill and collect assessments

## to H.P. 1696, L.D. 2376 COMMITTEE AMENDMENT

under this resolve on insured employers on policies issued or renewed from July 1, 1992 through June 30, 1993. This assessment 2 must be a separately stated amount on all premium notices and may not be reported as premiums for any tax or regulatory purpose or for the purpose of any other law. Violations. Any insurance company, association self-insured employer subject to this section that willfully Я fails to pay an assessment in accordance with this resolve commits a civil violation for which a forfeiture of not more than 10 \$500 may be adjudged for each day following the due date for which payment is not made. 12 14 6. Deposit of funds. All revenues derived from assessments levied against insurance companies, associations and self-insured employers described in this resolve must be reported and paid to 16 the Treasurer of State as undedicated revenue to the General Fund; and be it further 18 Sec. 7. Appropriation. Resolved: That the following funds are 20 appropriated from the General Fund to carry out the purposes of this resolve. 22 1991-92 -24 **LEGISLATURE** 26 **Blue Ribbon Commission to Examine** 28 Alternatives to the Workers' **Compensation System** 30 All Other \$250,000 32 Provides funds for the compensation and 34 expenses of members, consultant costs and miscellaneous expenses of the Blue Ribbon Commission to Examine Alternatives to the 36 Workers' Compensation System. These funds 38 may not lapse but must be carried forward

from year to year to be expended for the

same purpose.

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Emergency clause. In view of the emergency cited in the 42 preamble, this resolve takes effect when approved.'

Further amend the resolve by inserting before the statement of fact the following:

'FISCAL NOTE

2	1991-92
4	APPROPRIATIONS/ALLOCATIONS
6 ' ' '	General Fund \$250,000
8	REVENUES
10	General Fund \$250,000
12	This bill provides a General Fund appropriation of \$250,000 in fiscal year 1991-92 to the Legislature for the compensation
14	and expenses of members, consultant costs and miscellaneous costs of the Blue Ribbon Commission to Examine Alternatives to the
16	Workers' Compensation System.
18	The Legislature can absorb the costs related to staffing this commission during any interim between sessions.
20	The bill establishes a one-time assessment on workers'
22	compensation insurers and self-insured employers which will generate approximately \$250,000 in General Fund undedicated
24	revenue in fiscal year 1991-92. The bill establishes a civil violation and assessment for those entities that willfully fail
26	to pay this assessment. The additional workload and administrative costs associated with the minimal number of new
28	cases filed in the court system can be absorbed within the budgeted resources of the Judicial Department.'
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32	STATEMENT OF FACT
34	This amendment adds an emergency preamble and emergency clause, reduces the size of the Blue Ribbon Commission to Examine
36	Alternatives to the Workers' Compensation System from 18 to 4 members and establishes a reporting date of August 1, 1992 rather
38	than January 1, 1994. The Governor chooses 2 members, the President of the Senate one member and the Speaker of the House
40	of Representatives one member. The Governor, the President of the Senate or the Speaker of the House of Representatives each
42	has the power to veto the selection of another. The commission must be appointed by March 26, 1992 and the first meeting
44 .	convened within 2 weeks of appointment. The commission members may be paid a reasonable compensation for their services. The
46	reporting date of the commission is August 1, 1992 unless a

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majority of the commission votes that an extension is needed, in

which case the deadline may be as late as September 1, 1992.

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## COMMITTEE AMENDMENT " to H.P. 1696, L.D. 2376

2	The legislation recommended by the commission will be
	submitted to the House of Representatives. It is the intent of
. 4	this resolve to create a commission composed of individuals of
	the highest integrity, credibility and intelligence. The
6	responsibility being put on the shoulders of these commission
	members is great and the 115th Legislature should give due
8	respect to the commission's recommendations. It is the intent of
	this resolve to ensure that the Legislature vote on the
10	commission's recommended legislation before offering amendments.

12 The commission will be funded by a one-time assessment on workers' compensation insurers and self-insured employers at a 14 rate calculated to bring in total receipts of approximately \$250,000. This assessment will not be imposed on the State, 16 municipalities or school administrative units. The assessment will be based on direct premiums or aggregate benefits paid during calendar year 1990. Because that data has already been 18 compiled under the Maine Revised Statutes, Title 39, section 20. 92-A, this one-time assessment can be collected during the current fiscal year. It is the intent of this resolve that the Workers' Compensation Commission provide the required data to the 22 State Tax Assessor in a timely manner.

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Reported by the Majority of the Committee on Labor Reproduced and distributed under the direction of the Clerk of the House 3/17/92 (Filing No. H-1142)