

MAINE STATE LEGISLATURE

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Date: 3/13/24

(Filing No. S-576)

MINORITY

LABOR AND HOUSING

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STATE OF MAINE

SENATE

131ST LEGISLATURE

SECOND REGULAR SESSION

COMMITTEE AMENDMENT "B" to S.P. 927, L.D. 2176, "An Act to Ensure the Workers' Compensation Board's Allocations Are Properly Funded"

Amend the bill by striking out the title and substituting the following:

'An Act to Ensure the Workers' Compensation Board's Allocations Are Properly Funded and to Require the Board to Approve Its Budget by a Two-thirds Majority of Its Members'

Amend the bill by inserting after the enacting clause and before section 1 the following:

'Sec. 1. 39-A MRSA §152, sub-§13, as enacted by PL 1991, c. 885, Pt. A, §8 and affected by §§9 to 11, is amended to read:

13. Budget. The board shall administer its budget, with the assistance of the executive director. Except as provided in section 154, subsection 6, paragraph B, the board shall approve the board's budget with a vote of 2/3 of its membership.'

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment is the minority report of the committee. The amendment provides that the Workers' Compensation Board budget must be approved by a 2/3 vote of its members, except that the board will continue to use a simple majority vote when deciding to use its reserve funds as provided under current law.

FISCAL NOTE REQUIRED

(See attached)

COMMITTEE AMENDMENT



131st MAINE LEGISLATURE

LD 2176

LR 2996(03)

An Act to Ensure the Workers' Compensation Board's Allocations Are Properly Funded

Fiscal Note for Bill as Amended by Committee Amendment "B" (5-576)
Committee: Labor and Housing
Fiscal Note Required: Yes

Fiscal Note

Removal of assessment cap - Workers' Compensation Board Administrative Fund

Fiscal Detail and Notes

Current law limits the total amount that the Workers' Compensation Board may assess all insurance companies or entities that write workers' compensation policies in the State to \$14.7 million per year. This bill eliminates the assessment cap and instead provides that the board may assess an amount that produces revenue sufficient to fund expenditures allocated by the Legislature and maintain a reserve of up to 1/4 of the board's annual budget.

The fiscal year 2024-25 budgeted allocation for the Workers' Compensation Board is approximately \$14.2 million and the current balance in the reserve account is \$3.3 million. As the reserve can be 1/4 of the board's annual budget, or approximately \$3.6 million, the Workers' Compensation Board may assess \$14.5 million for the 2024-25 fiscal year (\$14.2 million for the allocation + \$0.3 million to bring the reserve to \$3.6 million). This is below the \$14.7 million cap currently in place. Therefore, this bill will not increase assessments for fiscal year 2024-25 above what is authorized in current law. Assessments beyond fiscal year 2024-25 will depend on the budgeted allocations approved by the legislature in future biennia.