

FISCAL IMPACT OF PROPOSED LEGISLATION

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office

**Measure: HB 2764 A9
REVISED**

***Only Impacts on Original or Engrossed
Versions are Considered Official***

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Reviewed by: Paul Siebert, John Borden, Michelle Deister, Matt Stayner
Date: 05/27/2015

Measure Description:

Modifies circumstances under which attorney fees may be awarded and amount of attorney fees awarded in workers' compensation claims.

Government Unit(s) Affected:

Department of Consumer and Business Services (DCBS), Employment Department, Employment Relations Board, SAIF (State Accident Insurance Fund), Department of Administrative Services (DAS)

Summary of Expenditure Impact:

See Analysis.

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis: Received additional information from the Department of Administrative Services with respect to biennial costs.

This bill would increase the compensation paid to workers' compensation attorneys under certain circumstances and provides a review mechanism for the attorney's fees.

The Department of Administrative Services estimates a seven percent increase in attorney's fees associated with workers' compensation claims. This translates to approximately \$82,800 per biennium. This would be distributed across agencies according to their workers' compensation claims experience.

The State Accident Insurance Fund anticipates an increase in costs associated with attorney's fees due to the provisions of this bill. The exact amount is not known and the number of claims that may be affected is unknown.

At this time, the Legislative Fiscal Office (LFO) believes that the ramifications of this measure are not fully understood by state agencies and therefore the fiscal impact cannot be determined. If agencies discover that the fiscal impact is greater than anticipated, they may need to return to the Legislative Assembly for additional resources.