

HB 2087 A STAFF MEASURE SUMMARY

Senate Committee On Workforce

Prepared By: Ellen Osoinach, LPRO Analyst

Meeting Dates: 3/14

WHAT THE MEASURE DOES:

Changes caps on civil penalties that Director of Department of Consumer and Business Services may impose for violations of certain workers' compensation statutes or required practices.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Under current law, the Department of Consumer and Business Services may impose a civil penalty of up to \$2,000 per violation or \$10,000 in the aggregate for all violations that occur within any three-month period. The penalties are for inducing a worker to not file a claim, failing to pay assessments or other payments due to the Department, and failing to comply with the workers' compensation statutes and rules.

House Bill 2087-A separates the Department's authority to impose civil penalties into three categories with three separate caps. The measure sets the maximum penalty against an employer or insurer at \$2,000 for each violation and \$40,000 in the aggregate for a calendar year for inducing a worker to not file a claim. The maximum penalty against a self-insured employer, insurer, or service company is set at \$4,000 for each violation or \$180,000 in the aggregate for a calendar year for failure to pay assessments or failure to comply with statutes and rules. Finally, the measure sets the maximum penalty against an employer (not self-insured) or managed care organization at \$2,000 per violation or \$40,000 in the aggregate for a calendar year for failure to pay assessments or failure to comply with statutes and rules.