

**FINAL  
FISCAL NOTE**

**Drafting Number:** LLS 12-0260  
**Prime Sponsor(s):** Rep. Swalm  
 Sen. Newell

**Date:** May 31, 2012  
**Bill Status:** Signed into Law  
**Fiscal Analyst:** Clare Pramuk (303-866-2677)

**TITLE:** CONCERNING CONDITIONS ON THE AUTHORITY OF THE DIRECTOR OF THE DIVISION OF WORKERS' COMPENSATION TO IMPOSE ADMINISTRATIVE FINES AS A RESULT OF COMPLIANCE AUDITS FINDING INSTANCES OF LATE REPORTING OF INJURIES UNDER THE "WORKERS' COMPENSATION ACT OF COLORADO".

<b>Fiscal Impact Summary</b>	<b>FY 2012-2013</b>	<b>FY 2013-2014</b>
<b>State Revenue</b>		
General Fund	(<\$7,500)	(<\$7,500)
Cash Funds		
Workers' Compensation Cash Fund	(<\$2,500)	(<\$2,500)
<b>State Expenditures</b>		
<b>FTE Position Change</b>		
<b>Effective Date:</b> The bill was signed into law by the Governor on March 22, 2012, and takes effect August 8, 2012, assuming no referendum petition is filed.		
<b>Appropriation Summary for FY 2012-2013:</b> None required.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

This bill prohibits the Director of the Workers' Compensation Division of the Department of Labor and Employment from imposing an administrative fine on an insurer or self-insured pool for late reporting of an injury, occupational disease, or fatality when the insurer or self-insured pool was not given sufficient notice of the incident to comply with the reporting deadline. The director may impose an administrative fine in cases where he finds that the late reporting constituted a knowing or repeated pattern of noncompliance by the insurer or self-insured pool and not a lack of notice of the incident.

**State Revenue**

This bill is expected to reduce revenue from fines by less than \$10,000 in FY 2012-13 and future years. Seventy-five percent of workers' compensation fine revenue is credited to the General Fund and the remaining twenty-five percent is credited the Workers' Compensation Cash Fund. As a result, the impact is estimated at less than \$7,500 to the General Fund and less than \$2,500 to the Workers' Compensation Cash Fund.

**Departments Contacted**

Labor and Employment