



# 131st MAINE LEGISLATURE

LD 2176

LR 2996(01)

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

### Preliminary Fiscal Impact Statement for Original Bill

Sponsor:

Committee: Labor and Housing

Fiscal Note Required: Yes

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### Preliminary Fiscal Impact Statement

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 the 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.