

February 2, 2023

The Honorable Renee Erickson, Chairperson
Senate Committee on Commerce
300 SW 10th Avenue, Room 546-S
Topeka, Kansas 66612

Dear Senator Erickson:

SUBJECT: Fiscal Note for SB 38 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 38 is respectfully submitted to your committee.

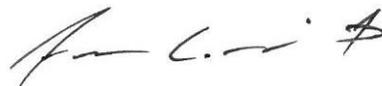
Under current law, the maximum workers compensation benefit that is payable by an employer to an employee for permanent total disability is \$155,000. SB 38 would increase the amount to \$350,000. The bill would take effect upon its publication in the *Kansas Register*.

The Department of Administration indicates there would not be a fiscal effect in either FY 2023 or FY 2024 if the bill is enacted. According to the Department, permanent total disability is paid out over time using an average weekly wage up to the statutory cap and using the maximum average weekly wage it would not reach \$155,001 in either FY 2023 or FY 2024. The Department is unable to estimate a precise fiscal effect.

The Department of Labor states if the bill is enacted, there would be no fiscal effect on agency operations. Any fiscal effect associated with SB 38 is not reflected in *The FY 2024 Governor's Budget Report*.

Both the League of Kansas Municipalities and the Kansas Association of Counties state the bill's enactment would have a fiscal effect on local governments resulting from raising the disability payment limitation. However, a precise effect cannot be estimated.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Dawn Palmberg, Department of Labor
Tamara Emery, Department of Administration
Wendi Stark, League of Kansas Municipalities
Jay Hall, Kansas Association of Counties