

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 13-0672
Prime Sponsor(s): Sen. Jahn
 Rep. Gardner

Date: February 6, 2013
Bill Status: Senate Business, Labor & Technology
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TITLE: CONCERNING AN EMPLOYER'S WORKERS' COMPENSATION LIABILITY TO A PERSON WHEN THE PERSON IS INJURED WHILE NOT ON THE EMPLOYER'S PREMISES.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Expenditures	See State Expenditures section.	
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

An employer who uses leased or subcontracted employees is responsible for providing workers' compensation coverage for those employees. This bill clarifies that an employer is not liable for a workers' compensation claim if a leased or subcontracted employee is injured while not on the employer's premises. Those claims will be the responsibility of the direct employer.

State Expenditures

This bill may result in an increase in workers' compensation claims denied. Denials are investigated by the Division of Workers' Compensation (DWC) and settled by the Office of Administrative Courts in the Colorado Department of Labor and Employment. Because the DWC does not track whether a work-related accident occurred on or off the employer's premises or whether the injured worker is a regular or leased employee, the prevalence of claims that fall under this provision is unknown. Because the bill limits this exception to only leased or subcontracted employees, the fiscal note assumes that any increase in the number of claims can be addressed within existing appropriations. If necessary, additional staffing will be requested through the annual budget process.

The state is also an employer that provides workers' compensation coverage, but, due to monitoring the workers' compensation coverage of contractors, has no history of this type of claim. If such a claim is filed, the state's liability will be reduced as a result of this bill.

Local Government Impact

As an employer, a local government may also see a reduction in workers' compensation claim costs if it is no longer liable for work-related accidents that occur off premises by leased or subcontracted employees.

Departments Contacted

Counties
Municipalities

Labor and Employment
Personnel and Administration