



## Legislative Council Staff

*Nonpartisan Services for Colorado's Legislature*

# Fiscal Note

**Drafting Number:** LLS 22-0382  
**Prime Sponsors:** Rep. Daugherty

**Date:** January 28, 2022  
**Bill Status:** House Business  
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**Bill Topic:** **WORKERS' COMPENSATION INJURY NOTICES**

**Summary of Fiscal Impact:**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> State Revenue     | <input type="checkbox"/> TABOR Refund                       |
| <input checked="" type="checkbox"/> State Expenditure | <input type="checkbox"/> Local Government                   |
| <input type="checkbox"/> State Transfer               | <input checked="" type="checkbox"/> Statutory Public Entity |

This bill extends the employer and employee notice requirements for workers' compensation claims, removes penalties for failing to meet those notification deadlines, and updates the public signage regarding workers' compensation. The bill will have a minimal impact on state revenue and expenditures and increased costs for Pinnacle Assurance, a statutory public entity.

**Appropriation Summary:** No appropriation is required.

**Fiscal Note Status:** The fiscal note reflects the introduced bill.

## Summary of Legislation

This bill extends the timeline for an employee to notify their employer about an on-the-job injury from four to fourteen days, updates the public signage regarding workers' compensation, and removes penalties for employees and employers failing to report or provide notice for said injuries on time. This bill also removes the 30-day notification requirement for employees who develop occupational diseases and removes penalties for failure to provide this notice on time.

## State Revenue

State cash fund revenue to the Colorado Department of Labor and Employment (CDLE) may increase minimally from the sale of new workers' compensation posters. The amount charged to recipients covers the costs of printing and shipping. This purchase is not required, though, as businesses may print a poster on their own or request one from a third-party vendor.

## State Expenditures

The Department of Personnel and Administration (DPA) and other state agencies will have several impacts under the measure. First, the extended deadlines may increase costs paid by the state for workers' compensation claims. State agencies pay these costs through the state's Risk Management Program, and appropriations will be adjusted through the annual budget process, if necessary, to cover any changes in claims costs. In addition, the DPA will have an additional workload to update policies and provide guidance to state agencies and employees on the changes under the bill. Lastly, state agencies will have a minimal increase in costs to update required signage, which may be printed by the centralized print shop within DPA, provided by the CDLE, or printed or purchased by the agency itself.

## Statutory Public Entity

The bill is expected to increase costs for Pinnacol Assurance, the state-chartered workers' compensation insurer, by extending the reporting window for reporting claims and eliminating the penalties for late claims. This may increase costs by allowing certain claims to move forward with total compensation after the current law deadline and by increasing medical costs in instances where treatment is not provided as soon as medically necessary. According to a preliminary estimate by Pinnacol Assurance, these impacts may increase claims paid by up to \$300,000 per year. It is assumed that Pinnacol Assurance will adjust workers' compensation insurance premiums as necessary to cover these additional costs.

## Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed. It applies to claims arising on or after this effective date.

## State and Local Government Contacts

Information Technology

Labor

Personnel and Administration