

**FISCAL NOTE**

|   | <b>FY 2018</b> | <b>FY 2019</b> | <b>FY 2020</b> |
|---|----------------|----------------|----------------|
| <b>NON-ADMINISTRATIVE IMPACT</b>              |                |                |                |
| Anticipated Revenue increase                  |                |                |                |
| WORKERS COMPENSATION INDUSTRIAL ACCIDENT FUND | \$421,965      | \$421,965      | \$421,965      |
| UNEMPLOYMENT INSURANCE TRUST FUND             | \$372,801      | \$186,400      | \$186,400      |
| COUNTY TREASURERS                             | \$65,000       | \$65,000       | \$65,000       |

Source of revenue increase:

Additional revenue will come from the increased authority and amount of the non-resident employer bond.

Assumptions:

The Department will experience double the bond or other security collateral which will provide the ability to execute on twice the amount historically executed. In addition, the proposed bill increases authority for collection of unpaid fines by Wyoming OSHA.

Workers' Compensation: In SFY 2016, Workers' Compensation collected \$4,906,570 in non-resident employer bonds. Approval of this bill would increase non-resident employer bonds to \$9,813,140. On average, 8.6% of non-resident employers become delinquent on their Workers' Compensation premium. Approximately \$421,965 of bond collateral is executed upon. With the proposed change, that number would likely double to \$843,930.

Unemployment Insurance: As of Dec. 15, 2016, delinquent non-resident employers owed \$372,801 in Unemployment Insurance tax. This is the non-resident "new" employer debt if the bond was available to Unemployment Insurance. Figures listed under FY2019 and FY2020 are a two-year average based on the FY2018 figure.

OSHA (County Treasurers): Wyoming OSHA reports unpaid penalties by out-of-state employers for SFY 2015 as \$43,434 and SFY 2016 as \$34,532. As a result of this bill, these penalties could be recovered through bonds or other security sources. All OSHA penalties are provided to the County Treasurer in the county where the violation occurred for use by the school district. Wyoming OSHA estimates additional collections could be up to \$65,000 in unpaid penalties with out-of-state employers. This amount is calculated based upon the new OSHA penalty amounts which become effective 2/1/2017.

Labor Standards: In addition, the Division reports out-of-state employers with unpaid wages from SFY 2014-2016 averaged \$198,308. It is estimated that collections would be up to an additional \$50,000 per year. This money would go directly to workers who earned wages in Wyoming from non-resident employers for which they were not paid.

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