

BILL ANALYSIS

Senate Research Center
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S.B. 1106
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 1106 amends Chapter 411 (Workers' Health and Safety), Labor Code, to establish a pilot safety reimbursement program for small employers and employers in certain high-risk industries through fiscal year (FY) 2019.

The safety reimbursement program would provide reimbursements to employers with workers' compensation coverage who incur allowable expenses to improve workplace safety. Reimbursements would be available on a first-come, first-served basis, up to \$100,000 per year. Individual employer reimbursements would not exceed \$5,000 per year.

By December 1, 2018, the Division of Workers' Compensation of the Texas Department of Insurance would include, as part of its biennial report to the legislature, an analysis detailing the results of the program with a recommendation on whether the legislature should continue the safety reimbursement program beyond FY 2019 in its biennial report.

As proposed, S.B. 1106 amends current law relating to the creation of a safety reimbursement program for employers participating in the workers' compensation system.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of workers' compensation in SECTION 1 (Section 411.1031, Labor Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter H, Chapter 411, Labor Code, by adding Section 411.1031, as follows:

Sec. 411.1031. SAFETY REIMBURSEMENT PROGRAM. (a) Defines "eligible employer" and "program."

(b) Requires the commissioner of workers' compensation (commissioner) to adopt rules establishing a safety reimbursement program designed to assist eligible employers in the creation of safe and healthy workplaces for employees of this state. Requires the rules to include requirements for eligible employer applications and appropriate use of allocated funds.

(c) Requires the program to reimburse an eligible employer for expenses incurred by the employer to facilitate a safe and healthy workplace for employees of the employer. Prohibits reimbursement under this section to an eligible employer from exceeding \$5,000 per calendar year. Authorizes allowable expenses to include:

- (1) physical modifications to the worksite;
- (2) safety equipment, devices, and tools;
- (3) safety training for employees; and

(4) other measures or equipment necessary to correct identified safety hazards and protect employees from unsafe working conditions.

(d) Requires the commissioner by rule to establish an optional preauthorization plan for eligible employers that participate in the program. Requires the plan to require that an eligible employer submit to the division a proposal in compliance with division rules that describes the workplace modifications and other changes that the employer proposes to make to facilitate a safe and healthy workplace for employees of the employer.

(e) Requires the division, if the division approves an eligible employer's proposal submitted under Subsection (d), to guarantee reimbursement of the expenses incurred by the employer in implementing the modifications and changes approved by the division unless the division determines that the modifications and changes differ materially from the employer's proposal. Provides that reimbursement under this subsection is subject to the limit imposed under Subsection (c).

(f) Requires the commissioner to annually deposit the first \$100,000 from administrative penalties collected by the division into the general revenue fund of the state treasury to the credit of the Texas Department of Insurance (TDI) operating account for the purposes of funding the program. Authorizes money for the program to be spent by the division, on appropriation by the legislature, only for the purposes of implementing this section.

(g) Requires an insurance company to notify eligible employers of the availability of the program as provided by commissioner rule.

(h) Authorizes this section, notwithstanding Subsections (a)-(g), to be implemented only to the extent funds are available.

(i) Requires the commissioner, not later than December 1, 2018, to report to the governor, the lieutenant governor, the speaker of the house of representatives, and the members of the legislature regarding:

(1) the implementation of the program;

(2) the results of the program; and

(3) recommendations regarding the continuation of the program, including any changes necessary to enhance the effectiveness of the program.

(j) Provides that this section expires September 1, 2019.

SECTION 2. (a) Requires the commissioner, as soon as practicable after the effective date of this Act, to adopt rules necessary to implement the workers' compensation safety reimbursement program established under Section 411.1031, Labor Code, as added by this Act.

(b) Requires the division of workers' compensation of TDI to implement the workers' compensation safety reimbursement program established under Section 411.1031, Labor Code, as added by this Act, beginning January 1, 2016.

(c) Prohibits an eligible employer from receiving reimbursement under Section 411.1031, Labor Code, as added by this Act, for costs incurred before January 1, 2016.

SECTION 3. Effective date: September 1, 2015.