

**HB 2087 A STAFF MEASURE SUMMARY**

**Carrier:** Sen. Golden

**Senate Committee On Workforce**

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**Action Date:** 03/14/19

**Action:** Do pass the A-Eng bill.

**Vote:** 5-0-0-0

**Yeas:** 5 - Golden, Hansell, Knopp, Monnes Anderson, Taylor

**Fiscal:** Has minimal fiscal impact

**Revenue:** No revenue impact

**Prepared By:** Ellen Osoinach, LPRO Analyst

**Meeting Dates:** 3/14

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**WHAT THE MEASURE DOES:**

Changes caps on civil penalties that Director of Department of Consumer and Business Services may impose for violations of certain workers' compensation statutes or required practices.

**ISSUES DISCUSSED:**

- Support from Management-Labor Advisory Committee (MLAC)
- Current amount of penalties imposed

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Under current law, the Department of Consumer and Business Services may impose a civil penalty of up to \$2,000 per violation or \$10,000 in the aggregate for all violations that occur within any three-month period. The penalties are for inducing a worker to not file a claim, failing to pay assessments or other payments due to the Department, and failing to comply with the workers' compensation statutes and rules.

House Bill 2087-A separates the Department's authority to impose civil penalties into three categories with three separate caps. The measure sets the maximum penalty against an employer or insurer at \$2,000 for each violation and \$40,000 in the aggregate for a calendar year for inducing a worker to not file a claim. The maximum penalty against a self-insured employer, insurer, or service company is set at \$4,000 for each violation or \$180,000 in the aggregate for a calendar year for failure to pay assessments or failure to comply with statutes and rules. Finally, the measure sets the maximum penalty against an employer (not self-insured) or managed care organization at \$2,000 per violation or \$40,000 in the aggregate for a calendar year for failure to pay assessments or failure to comply with statutes and rules.