

**LOCAL GOVERNMENT
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: March 16, 2017

Agency Submitting: Local Government

Items of Revenue or Expense, or Both	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Effect on Future Biennia
Total	0	0	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

See attached.

Name Michael Nakamoto

Title Deputy Fiscal Analyst

The following responses from local governments were compiled by the Fiscal Analysis Division. The Fiscal Analysis Division can neither verify nor comment on the figures provided by the individual local governments.

Local Government Responses
A.B. 267 / BDR 53 - 650

School District: **Clark County School District**

Approved by: Dillon Kay, Assistant Budget Director

Comment: Per NRS the CCSD's School Police employees do not qualify for coverage under this bill. However, if they were ever to be included as a "police officer" under this bill, we would have a fiscal impact with the proposed changes. In Section 1, calculating hours missed versus days would be extremely time consuming and would probably require us to hire another FTE to track this information. The Section 4 provision of paying claimant's attorney fees to fight a denial of coverage would open us up to unmanageable legal costs that would be difficult to budget.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
No Impact	\$0	\$0	\$0	\$0

School District: **Washoe County School District**

Approved by: Lindsay E. Anderson, Director of Government Affairs

Comment: There is no impact as school police are not covered under heart/lung.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
No Impact	\$0	\$0	\$0	\$0

City/County: **Carson City**

Approved by: Nancy Paulson, CFO

Comment: This would have a fiscal impact, but the amount is undeterminable at this time.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

City/County: **Churchill County**

Approved by: Eleanor Lockwood, County Manager

Comment: BDR 53-650 relates to police-fire workers compensation for heart and lung disease. If this bill were to pass it would require the employer to pay an employee's attorney fees and expenses if the employee prevails in a worker's compensation case. It also restricts to whom the employees' annual heart and lung physicals may be disseminated - for example, Churchill County uses an outside agency to review the physicals and writer letters to the employees. If passed, this BDR would have some minor fiscal impact to the County. This type of claim does not arise too frequently in Churchill County, but all sworn law enforcement employees are covered under this bill, so there is potential for a more significant impact, depending on the number of employees who submit heart-lung claims.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

City/County: **Clark County**

Approved by: David Dobrzynski, Asst Director of Finance

Comment: This bill revises provisions relating to industrial insurance and the payment of compensation for temporary or permanent disability or death resulting from the occupational diseases of lung disease, heart disease or cancer for firefighters, arson investigators and police officers. Under provisions of this bill, if an employer denies a claim for compensation for these occupational diseases and the claimant ultimately prevails, the employer will be required to pay the claimant's attorney's fees and associated costs. Additionally, under current law, no compensation may be paid for an occupational disease which does not incapacitate the employee for at least 5 cumulative days within a 20-day period. This bill would make claims for compensation for the occupational diseases of cancer, lung disease and heart disease exempt from that prohibition.

5-Day Rule Exemption: Based on claims experience, it is estimated Clark County denied \$1.07 million worth of claims in 2016, which likely would have been approved under this provision. Adjusting for trends in the State's average weekly wage used for computing maximum disability compensation, it is estimated these claims would be worth \$1.11 million in FY2018 and \$1.11 million in FY2019.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Has Impact	\$0	\$1,109,000	\$1,126,000	\$2,302,923

City/County: **Esmeralda County**

Approved by: Karen Scott, Auditor/Recorder

Comment: This may have impact if claimant prevails. Cannot determine the associated costs and attorney fees as it depends on how long the case would go on.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **Humboldt County**

Approved by: Gina Rackley, Comptroller

Comment: Although this Bill very well could carry a fiscal impact, it is very hard to tell what that would be. Given that an individual would not receive compensation until they were out of work 5 days or 40 hours, before being eligible to compensation - We would not know how this could affect our experience rating.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **Washoe County**

Approved by: Jamie Rodriguez , Management Analyst

Comment: Most claims are appealed through the union representatives at no additional cost. Unable to determine attorney's costs should an appellant use outside counsel.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **White Pine County**

Approved by: Elizabeth Frances, Finance Director

Comment: Increasing the benefits of heart/lung to eliminate the five day exclusion as well as the requirement for the employer to pay attorney fees will increase liability insurance. An exact estimate of the cost cannot be determine but these changes will result in adverse financial impact to the County in the form of increase expense.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

City/County: **City of Henderson**

Approved by: Mike Cathcart, Business Operations Manager

Comment: The employer being responsible for legal fees if a claim was initially denied and later was reversed could have a fiscal impact to the City. However, without knowing legal fees and number of incidents this cost cannot be calculated.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **City of Las Vegas**

Approved by: Michelle Thackston, Administrative Assistant

Comment: This bill could have a significant fiscal impact on the City of Las Vegas, but we are unable to fully quantify without further detailed analysis.

Additionally, this BDR requires that the Insurer/Third Party Administrator pay attorney fees and associated costs if a claimant prevails on a claim denial. There are several issues regarding this that could lead to fiscal impacts: A) Claimant attorneys currently have no cap on fees, therefore they could be double dipping on the front end, as well as the back end (when they receive a portion of the claimant's Permanent Partial Disability); and B) there is no reciprocity in this to reimburse the insurer if the City should prevail.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **City of Reno**

Approved by: Tillery Williams , Management Analyst

Comment: The potential fiscal impact cannot be determined at this time. This could have fiscal impact on the City through Section 4, Subsection 10. If the City of Reno's Workers' Compensation TPA denies a "presumptive" claim from a Firefighter or Police Officer, and that denial is overturned through the Workers' Compensation appeals process, according to this BDR, the City would then be on the hook for all fees and costs associated with that Firefighter or Police Officer's legal case to fight the denial. This could potentially be a big cost, however it's difficult to estimate because the City does not often have denied "presumptive" claims.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **City of Sparks**

Approved by: Jeff Cronk, Financial Services Director

Comment: This will likely have a fiscal impact if we fall in a situation where someone whose benefit claims are denied and reversed resulting in a liability to pay legal fees. How the legal fees are determined could end up being quite expensive -- especially if they are contingency based. The expectation is that this bill will result in higher expenses, however, it's impossible to determine the impact of unknown future events.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

The following cities/counties did not provide a response: Douglas County, Elko County, Eureka County, Lincoln County, Lander County, Lyon County, Mineral County, Nye County, Pershing County, Storey County, Boulder City, City of Elko, City of Mesquite, and City of North Las Vegas.