

WORKERS' DISABILITY COMPENSATION AGENCY FILING FEES AUTHORIZATION

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Senate Bill 927 (proposed substitute H-1)
Sponsor: Sen. Sarah Anthony

Analysis available at
<http://www.legislature.mi.gov>

Committee: Appropriations
Complete to 12-9-24

SUMMARY:

Senate Bill 927 would provide the Workers' Disability Compensation Agency (WDCA) with the statutory authority to establish fees via the administrative rules promulgation process for notices of issuance, notices of termination, and notices of employer name or address change that are filed by insurers with the WDCA. The bill would also provide the WDCA with the statutory authority to establish a system for the collection of the filing fees.

The WDCA does not currently assess any fees for these filings. The WDCA has received more than 200,000 of these filings in each of the 10 previous fiscal years. Any fees established through administrative rule would be subject to the administrative rules promulgation process, and therefore subject to the oversight mechanism of the Joint Committee on Administrative Rules.

MCL 418.625

FISCAL IMPACT:

The bill would provide the WDCA, which is housed within the Department of Labor and Economic Opportunity, with a mechanism to create a stable funding source for its required activities. Other funding sources utilized by the WDCA, namely the Workers' Compensation Revolving Fund, have been subject to volatility and marked revenue decreases, particularly due to declining numbers of workers' compensation redemptions (settlements).

The amount of revenue that would be realized by the fees is currently indeterminate, as the level would depend on established fee amounts, filing volumes, and other factors. For reference, the WDCA indicated that an early proposal would be to establish fees at rates of \$25 for each paper form and \$10 or \$15 for each electronically filed transaction, with the difference intended to incentivize greater use of electronic filings. However, any proposed fee levels would also be subject to stakeholder input.

Costs would likely be incurred by the WDCA for implementing collection systems for any established fees, though the level of these costs is also currently indeterminate. The WDCA

indicated that a billing structure would likely be created with input from stakeholders to offset the costs.

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