



# SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

## STATEMENT OF ESTIMATED FISCAL IMPACT

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*This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.*

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**Bill Number:** S. 0081      **Introduced on** January 10, 2023  
**Author:** Malloy  
**Subject:** Workers' Compensation- PTSD  
**Requestor:** Senate Judiciary  
**RFA Analyst(s):** Boggs  
**Impact Date:** April 13, 2023

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### Fiscal Impact Summary

This bill would allow a first responder to qualify for injury-related workers' compensation even though the stress, mental injury, or mental illness arise from normal working conditions if certain criteria are met. Further this bill establishes definitions for first responder, significant traumatic experience or situation, and other relevant terms. This bill takes effect on July 1, 2023, and is applicable to injuries that occur on or after the effective date.

This bill will have no fiscal impact on the Department of Insurance (DOI) or the Workers' Compensation Commission (WCC) as it does not operationally or fiscally impact the agencies.

The expenditure impact for agencies with first responder employees for the potential increase in workers compensation insurance premiums is pending, contingent upon additional response from the State Accident Fund (SAF).

Additionally, this bill may result in an increase in local expenditures due to the potential increase in workers compensation costs for first responders. Both the South Carolina Association of Counties (SCAC) and the Municipal Association of South Carolina (MASC) offer workers compensation to local governments. According to MASC, this bill would create a new compensable condition; however, MASC was unable to determine the overall potential cost of adding this new workers compensation claim. Therefore, based on the response provided by MASC, the Revenue and Fiscal Affairs Office (RFA) anticipates this bill will have an undetermined expenditure impact for locals. We will update this fiscal impact statement if SCAC provides additional information.

### Explanation of Fiscal Impact

#### Introduced on January 10, 2023

#### State Expenditure

This bill exempts first responders from having to establish, by a preponderance of the evidence, that stress, mental injury, or mental illness arising out of or in the course of employment stems from conditions that are extraordinary or unusual relative to the normal conditions of employment for purposes of collecting workers' compensation. Currently, if a first responder's stress, mental injury, or mental illness arise from normal working conditions, the first responder

is not considered injured for purposes of collecting workers' compensations. This bill would allow a first responder to qualify for injury-related workers' compensation if the stress, mental injury, or mental illness arise from normal working conditions if certain criteria are met. First responder is defined to include firefighters, volunteer firefighters, law enforcement officers, and volunteer law enforcement officers. This bill takes effect on July 1, 2023, and is applicable to injuries that occur on or after the effective date.

**Workers Compensation Commission.** This bill does not materially alter the responsibilities of the agency. Therefore, this bill will have no expenditure impact on WCC.

**Department of Insurance.** This bill does not materially alter the responsibilities of the agency. Therefore, this bill will have no expenditure impact on DOI.

**State Accident Fund.** This bill will result in an increase in the number of successful workers' compensation claims triggering an increase in the cost of workers' compensation insurance coverage. The amount of the increased cost will depend upon the number of newly successful workers compensation claims filed by first responders whose stress or mental illness stem from the normal conditions of their jobs. The expenditure impact of this bill is pending, contingent upon an additional response from SAF.

#### **State Revenue**

N/A

#### **Local Expenditure**

This bill may result in an increase in the cost of workers' compensation insurance coverage dependent upon the number of new workers' compensation claims likely to be filed by first responders whose stress or mental illness stem from the normal conditions of their jobs. Those local entities that employ employee first responders may see an increase in insurance premiums due to this increase of coverage. SCAC provides locals with workers compensation insurance coverage through the South Carolina Counties Workers' Compensation Trust (SCCWCT). Additionally, MASC offers locals workers' compensation coverage. According to MASC, this bill would create a new compensable condition for claims; however, the resultant increase in premium costs is unknown. Therefore, RFA anticipates this bill will result in an undetermined increase in local expenditures. We will update this fiscal impact statement if SCAC provides additional information on local expenditures.

#### **Local Revenue**

N/A



Frank A. Rainwater, Executive Director