



# 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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<b>Bill Number:</b>	H. 3163	Amended by House Labor, Commerce, and Industry on April 10, 2025
<b>Subject:</b>	Occupational Diseases	
<b>Requestor:</b>	House Labor, Commerce, and Industry	
<b>RFA Analyst(s):</b>	Vesely and Griffith	
<b>Impact Date:</b>	April 28, 2025	

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### Fiscal Impact Summary

This bill adds strokes to the list of impairments or injuries that are presumed to have arisen out of and in the course of employment for firefighters. The bill also revises the presumption entitlement criteria to include conditions developed while engaging in a technical rescue incident, a firefighter training exercise that involves stressful or strenuous physical activity, or if the condition occurs within twenty-four hours of the activity. The bill specifies that these provisions do not apply to clerical, administrative, or sedentary activities.

The Workers' Compensation Commission (WCC) manages workers' compensation claims and regulation in South Carolina. WCC indicates that any potential increase in firefighter workers' compensation claims can be managed with existing staff and resources. Therefore, this bill will have no fiscal impact on WCC.

This bill will have no expenditure impact on the Department of Labor, Licensing and Regulation (LLR) or the Office of the State Fire Marshal since it does not alter the duties or responsibilities of the agency or the Office of the State Fire Marshal.

While this bill may increase the number of workers' compensation claims by firefighters, WCC cannot determine the impact of this bill on workers' compensation premiums at this time. Workers' compensation premiums tax revenue is allocated to Other Funds revenue of WCC and to General Fund revenue. Therefore, the impact of this bill on Other Funds revenue of WCC and to the General Fund is undetermined.

The Revenue and Fiscal Affairs Office (RFA) previously contacted all forty-six counties and the Municipal Association of South Carolina (MASC) regarding the potential fiscal impact of the bill. Florence County indicated that this would expand benefits for their firefighters through both coverage of strokes and broadening coverage to include on-duty actions. Oconee County indicated that this bill would increase local expenditures by increasing worker's compensation insurance costs. MASC also indicates that this bill may result in an increase in firefighter's workers' compensation claims costs. However, as the number of firefighters that may claim worker's compensation as a result of this bill is unknown, the increase in the number of claims and the increase in the insurance costs are undetermined.

## **Explanation of Fiscal Impact**

**Amended by House Labor, Commerce, and Industry on April 10, 2025**

### **State Expenditure**

This bill adds strokes to the list of impairments or injuries that are presumed to have arisen out of and in the course of employment for firefighters. The bill also revises the presumption entitlement criteria to include conditions developed while engaging in a technical rescue incident, a firefighter training exercise that involves stressful or strenuous physical activity, or if the condition occurs within twenty-four hours of the activity. The bill specifies that these provisions do not apply to clerical, administrative, or sedentary activities.

WCC manages workers' compensation claims and regulation in South Carolina. WCC indicates that any potential increase in firefighter workers' compensation claims as a result of this bill can be managed with existing staff and resources. Therefore, this bill will have no fiscal impact on WCC.

LLR indicates that this bill will have no expenditure impact on the agency or the Office of the State Fire Marshal since it does not alter the responsibilities of the agency or the Office of the State Fire Marshal.

### **State Revenue**

This bill adds strokes to the list of impairments or injuries that are presumed to have arisen out of and in the course of employment for firefighters. The bill also revises the presumption entitlement criteria to include conditions developed while engaging in a technical rescue incident, a firefighter training exercise that involves stressful or strenuous physical activity, or if the condition occurs within twenty-four hours of the activity. The bill specifies that these provisions do not apply to clerical, administrative, or sedentary activities.

Workers' compensation insurance premiums are taxed at a rate of 2.5 percent on both traditional workers' compensation insurers and companies self-insuring. WCC retains as Other Funds the greater of 50 percent or \$2,200,000 of the tax on self-insurers. The remaining tax revenue is retained by the General Fund. While this bill may increase the number of workers' compensation claims by firefighters, WCC cannot determine the impact of this bill on workers' compensation premiums at this time. Therefore, the impact of this bill on Other Funds revenue of WCC and to the General Fund is undetermined.

### **Local Expenditure**

This bill adds strokes to the list of impairments or injuries that are presumed to have arisen out of and in the course of employment for firefighters. The bill also revises the presumption entitlement criteria to include conditions developed while engaging in a technical rescue incident, a firefighter training exercise that involves stressful or strenuous physical activity, or if the condition occurs within twenty-four hours of the activity. The bill specifies that these provisions do not apply to clerical, administrative, or sedentary activities.

RFA previously contacted all forty-six counties and MASC regarding the potential fiscal impact of the bill. Florence County indicated that this would expand benefits for their firefighters through both coverage of strokes and broadening coverage to include on-duty actions. Oconee County indicated that this bill would increase local expenditures by increasing worker's compensation insurance costs. MASC also indicates that this bill may result in an increase in firefighter's workers' compensation claims costs. However, as the number of firefighters that may claim worker's compensation as a result of this bill is unknown, the increase in the number of claims and the increase in the insurance costs are undetermined.

### **Local Revenue**

N/A



Frank A. Rainwater, Executive Director