



**Fiscal Note Request HB0419, As Introduced**

(continued)

Tort Defense Division do not include losses associated with the additional liability exposure created by HB 419.

5. Insurance premiums for the 2007 biennium are set in the executive budget and will not be increased due to this proposal. Therefore the increased damages will reduce fund balance and will be recaptured in the proposed 2009 biennium rates.

FISCAL IMPACT

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
<u>Expenditures:</u>		
Operating Expenses	\$175,000	\$175,000
<u>Funding of Expenditures:</u>		
Other (06)	\$175,000	\$175,000
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
Other (06)	(\$175,000)	(\$175,000)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

1. A local government (county, city, town, special purpose district, school district, etc.) could experience a significant fiscal impact if wrongful discharge action was found in favor of the employee.
2. The amount of fiscal impact is undeterminable.

LONG-RANGE IMPACTS:

It is not known how many claims/lawsuits will arise or how much they will cost. However, it is anticipated that costs will increase significantly as estimated above and will be reflected in future insurance premiums paid by state agencies.