

### Fiscal Estimate - 2021 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>21-2925/1</b>	<b>Introduction Number</b> <b>AB-0487</b>
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**Description**  
 delivery network couriers and transportation network drivers, Department of Financial Institutions' approval to offer portable benefit accounts, providing for insurance coverage, and granting rule-making authority

**Fiscal Effect**

**State:**

No State Fiscal Effect  
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Decrease Costs

**Local:**

No Local Government Costs  
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<b>5.Types of Local Government Units Affected</b> <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

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## Fiscal Estimate Narratives

DWD 9/1/2021

LRB Number	21-2925/1	Introduction Number	AB-0487	Estimate Type	Original
<b>Description</b> delivery network couriers and transportation network drivers, Department of Financial Institutions' approval to offer portable benefit accounts, providing for insurance coverage, and granting rule-making authority					

### Assumptions Used in Arriving at Fiscal Estimate

Provisions in AB-0487 set criteria to be used to determine which Application-based Drivers are to be considered employees. If enacted, the bill would establish new criteria, different from the existing nine (9) criteria outlined in s. 102.07 (8) (b) for determining if an independent contractor is an employee.

The duties performed by the Department of Workforce Development (DWD) Worker's Compensation staff to enforce the current law at s. 102.07 (8) (b) would also apply to the new criteria created at s. 102.07 (8) (bs). Worker's Compensation staff would make determinations as to which network companies are subject to Chapter 102 provisions and whether they must be insured for Worker's Compensation liability. While these tests and determinations have bearing on minimum wage protections and unemployment benefits, and would require significant investigation and fact-finding activities, it is not possible to estimate if these provisions will affect the number of annual investigations performed by Worker's Compensation staff.

The DWD Unemployment Insurance Division staff would need to make unemployment insurance benefit eligibility determinations based on how employees and employers meet the new criteria established by this legislation. The bill, if enacted, is estimated to have an impact to the UI Trust Fund, but that impact is indeterminate. A preliminary evaluation of the impact of the bill suggests a net reduction to the UI Trust Fund, but more information and analysis is needed to determine how s. 102.07 (8) (bs) would apply to employers and employees. The fiscal impact to the IT and Administrative functions of the Unemployment Insurance Division are indeterminate but not expected to be significant.

Because this bill would change the employment status of certain employees from employee to independent contractor, the bill may increase complaints and investigations handled by DWD's Equal Rights Division (ERD) related to minimum wage and employee benefits. However, the Department is unable to estimate the number of new ERD investigations, and the resulting increased costs for investigations, under this bill.

The bill also outlines certain conditions in which a network company may contribute to a portable benefit account for an Application-based Driver who may receive distributions for specific purposes. The provision for portable benefit accounts is created in Chapter 103, Employment Regulations. The existing statutory powers, duties, and jurisdiction, concerning the Department of Workforce Development apply to this provision. Revision of administrative rules and outreach to employers may result in minimal new costs that are absorbable by the Department.

### Long-Range Fiscal Implications