

Fiscal Estimate - 2025 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number 25-3094/1	Introduction Number AB-0269
Description delivery network couriers and transportation network drivers, Department of Financial Institutions' approval to offer portable benefit accounts, providing for insurance coverage, modifying administrative rules related to accident and sickness insurance, and granting rule-making authority	
Fiscal Effect State: <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations</div><div style="width: 33%;"><input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues</div><div style="width: 33%;"><input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Decrease Costs</div></div> Local: <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory</div><div style="width: 33%;">5. Types of Local Government Units Affected <div style="display: flex; flex-wrap: wrap;"><div style="width: 33%;"><input type="checkbox"/> Towns <input type="checkbox"/> Counties <input type="checkbox"/> School Districts</div><div style="width: 33%;"><input type="checkbox"/> Village <input type="checkbox"/> Others <input type="checkbox"/> WTCS Districts</div><div style="width: 33%;"><input type="checkbox"/> Cities</div></div></div></div>	

Fiscal Estimate Narratives

DWD 6/5/2025

LRB Number	25-3094/1	Introduction Number	AB-0269	Estimate Type	Original
Description delivery network couriers and transportation network drivers, Department of Financial Institutions' approval to offer portable benefit accounts, providing for insurance coverage, modifying administrative rules related to accident and sickness insurance, and granting rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

The bill creates new criteria for determining whether a delivery network courier or transportation network driver is not an employee for purposes of Worker's Compensation liability, wage requirements under Chapter 104, Minimum Wage, Unemployment Insurance assessments under Chapter 108, and Unemployment Insurance Reserves.

The overall fiscal impact of this bill to the Department of Workforce Development (DWD) is indeterminate at this time. The department estimates that this bill will reduce the UI Trust Fund balance by approximately \$2.7 million due to transportation network companies not having to pay into to the UI Trust Fund for drivers who would be considered employees under current law, but not under this bill. The impact to department operations, however, is indeterminate.

The bill does not repeal current Worker's Compensation law under s. 102.07 (8) (b) used to determine when a worker is performing duties as an employee or independent contractor. Under this bill, DWD's Worker's Compensation (WC) staff will continue to use current law criteria as well as apply the proposed criteria to determine network companies' Worker's Compensation liability. The department anticipates increased workload for WC staff that administer the new employee test criteria related to delivery network couriers and transportation network drivers, but the workload impact is indeterminate at this time.

Under the bill, the new criteria at s. 102.07 (8), Worker's compensation, Employee Defined, for determining employee status of a delivery network courier or transportation network driver would also be used by staff in DWD's Equal Rights Division (ERD) and Unemployment Insurance Division (UI) to determine if a worker is protected under minimum wage law and/or eligible for unemployment insurance benefits. The department also anticipates increased workload for ERD and UI staff due to the bill's proposed additional steps related to administering the employee status test for delivery network couriers and transportation network drivers, but the workload impact is indeterminate at this time.

Because of the potential change in employment status of certain couriers and/or drivers, the bill is estimated to reduce the UI Trust fund balance by approximately \$2.7 million annually. Specifically, the proposed bill would change the employment status of certain couriers and/or drivers. Under the bill, they would not be employees who are eligible for UI benefits. The UI Trust Fund balance would be reduced on an ongoing basis because the employer category that covers couriers and drivers generally pays more in UI wage taxes than their employees receive in benefits and those contributions would no longer be collected. The fiscal impact to the IT and administrative functions of the UI Division are indeterminate, but not expected to be significant.

The bill also establishes portable benefit accounts under s. 103.08 and s. 224.55 and outlines conditions under which a network company may contribute to a portable benefit account for a delivery network courier or transportation network driver under s. 103.08. The network company may contribute to a portable benefit account for a courier or driver regardless of the courier's or driver's employee status. Because the bill's provisions related to portable benefit accounts are created in Chapter 103, Employment Regulations, DWD's existing statutory powers, duties, and jurisdiction would apply to this provision. The proposed bill may result in new department costs for revisions of administrative rules and outreach to employers related to the portable benefits provisions, but these costs, while indeterminate at this time, are anticipated to be minimal.

Long-Range Fiscal Implications