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I N S E N A T E

June 4, 2012

Introduced by Sen. SEWARD -- (at request of the State Comptroller) --
read twice and ordered printed, and when printed to be committed to
the Committee on Finance

AN ACT to amend the workers' compensation law, in relation to the pre-
audit of expenditures from the state insurance fund by the state comp-
troller and to repeal certain provisions of such law relating thereto

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEM-
BLY, DO ENACT AS FOLLOWS:

1 Section 1. Section 88 of the workers' compensation law, as amended by
2 chapter 6 of the laws of 2007, is amended to read as follows:
3 S 88. Administration expenses. The entire expense of administering the
4 state insurance fund shall be paid out of such fund WHICH SHALL NOT BE
5 CONSIDERED AN AGENCY OR A FUND OF THE STATE FOR THE PURPOSES OF SECTION
6 FOUR OF THE STATE FINANCE LAW. The portion of such expenses applicable
7 and chargeable to the disability benefits fund [and the medical and
8 hospital malpractice fund] shall be determined on an equitable basis
9 with due allowance for the division of overhead expenses. Not later than
10 the first day of November there shall be submitted to the director of
11 the budget for his approval an estimated budget of expenditures for the
12 succeeding calendar year having due regard to the business interests and
13 contract obligations of the fund. There may not be expended for the
14 state insurance fund for purposes of administration more than the
15 amounts specified in such budget for each item of expenditure, except as
16 authorized by the director of the budget. THERE SHALL BE SUBMITTED TO
17 THE DIRECTOR OF THE BUDGET QUARTERLY FINANCIAL STATEMENTS ON A CALENDAR
18 YEAR BASIS. In no case shall the amount of ADMINISTRATIVE expenditures
19 so authorized for an entire year [for] FROM THE workers' compensation
20 [insurance] FUND exceed twenty-five per centum of the earned premiums
21 for such insurance for that year. In no case shall the amount of ADMIN-
22 ISTRATIVE expenditures authorized for the disability benefits fund for
23 an entire year exceed twenty-five per centum of the premiums earned by
24 that fund FOR SUCH INSURANCE FOR THAT YEAR. [In no case shall the amount
25 of expenditures authorized for the medical and hospital malpractice fund
26 for an entire year exceed twenty-five per centum of the premiums earned

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets
[] is old law to be omitted.

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1 by that fund.] If there be officers or employees of the department whose
2 duties relate partly to the general work of the department and partly to
3 the work of the state insurance fund, and in case there is other expense
4 which is incurred jointly on behalf of the general work of the depart-
5 ment and the state insurance fund, an equitable apportionment of the
6 expense shall be made and the part thereof which is applicable to the
7 state insurance fund shall be chargeable thereto. The expenses of the
8 department of audit and control incurred in connection with the pre-au-
9 dit of expenditures of the state insurance fund, as required by section
10 one hundred eleven of the state finance law, shall be a charge against
11 and be paid out of the moneys of the state insurance fund and there
12 shall be included in the annual estimate submitted pursuant to this
13 section an amount sufficient to pay such expenses for the period covered
14 by such estimate. Notwithstanding section four of the state finance law,
15 the state comptroller is authorized to process or approve payments
16 related to business taxes, various workers' compensation board assess-
17 ments and assessments related to the workers' compensation rating board
18 directly from the fund's accounts without explicit appropriation author-
19 ity. The commissioner of labor shall include in his annual report to the
20 legislature a statement of the commissioners showing the expense of
21 administering the state fund for the preceding year. All appointments to
22 positions in the state insurance fund shall be made subject to civil
23 service requirements.

24 S 2. Section 88 of the workers' compensation law, as amended by chap-
25 ter 635 of the laws of 1996, is REPEALED.

26 S 3. This act shall take effect immediately; provided, however that
27 section one of this act shall be deemed to have been in full force and
28 effect on and after April 1, 1996.