



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: HB0805.01: Generally revise workers' compensation laws

Primary Sponsor: Nelly Nicol

Status: As Introduced

- ☐ Included in the Executive Budget ☐ Needs to be included in HB 2 ☐ Significant Local Gov Impact
- ☐ Significant Long-Term Impacts ☒ Technical Concerns ☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
Expenditures				
General Fund (01)	\$0	\$0	\$0	\$0
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
Net Impact	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact

HB 805 prohibits people not lawfully in the United States that are unlawfully employed and claimants that have left the United States or certain territories of the United States from being eligible for Worker' Compensation benefits. There is no fiscal impact for the state.

FISCAL ANALYSIS

Assumptions

Department of Labor and Industry

1. No additional costs are anticipated because of HB 805.

Montana State Fund

2. Montana State Fund (MSF) assumes no or minimal fiscal impact due to this bill. MSF has very few claimants that live outside the United States.
3. This bill may reduce workers compensation premium for employers who hire illegal aliens. MSF could not determine that amount because the number of individuals unlawfully employed is unknown.

Technical Concerns

Department of Labor and Industry

1. The Montana Supreme Court ruled that statutory use of the term "illegal alien" was preempted by federal law and therefore impermissible. *Mont. Immigrant Justice Alliance v. Bullock*, 2016 MT 104, 383 Mont. 318, 371 P.3d 430. To the extent the term is used in Section 2, the bill is likely preempted.


Montana State Fund (MSF)

1. MSF is unable to identify whether a worker is lawfully employed at the time of injury.
2. The bill is silent on the level of due diligence expected from the insurer to determine whether a claimant is an illegal alien.

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(continued)

3. MSF is unable to identify whether an individual with a claim in process is currently lawfully present in the United States.
4. MSF is unable to identify whether an individual with a claim in process or that is receiving benefits leaves the United States.
5. The bill is silent on when the insurer can close or deny a claim in relation to the length of time an individual is outside of the United States.
6. Workers' compensation provides exclusive remedy for accidents to protect employers from lawsuits by employees injured in the course and scope of their employment. As related to the injury of an illegal alien, the worker could sue the employer directly if prohibited from filing a workers' compensation claim.


Sponsor's Initials

Date



Budget Director's Initials

3/3/2025

Date