

Date: 2-17-21

## **House Business and Labor Committee**

### **Bill: 1st Sub. HB 355 Workers' Compensation Revisions**

Sponsor: Rep. Hawkes

Floor Sponsor:

### **UASD Position: Tracking**

This Bill: amends provisions of the Workers' Compensation Act.

Discussion: Rep. Hawkes acknowledged that the 1st substitute dropped late, and asked the committee to hold the bill to give stakeholders time to read the substitute. The bill originally prevented someone who had received workers' compensation from suing other parties in the system to get a larger payout. The 1st substitute does not go that far. It treats a general contractor in the system as an employer, so it cannot be sued separately. Joe McCallister, general counsel for Hughes General Contractors, explained that right now workers' compensation works the same everywhere except on a construction site. An employee of a general contractor's only remedy for injury on the job is workers' compensation. However, an employee of a sub-contractor can sue the general contractor for compensation. Rep. Brammer asked if this changes anything with regard to product liability claims. Rep. Hawkes said it does not. Mr. McCallister said the bill does not eliminate any direct fault claims. Rep. King noted that they have always tried to disincentivize third parties from cutting corners. He asked if third-party liability exists in other states around Utah. Mr. McCallister said it does not. Rep. King asked if other states have redefined the scope of the employer-employee relationship to be broader than Utah's. Mr. McCallister said that is correct. They don't require that the general contractor pay a claim, just that they ensure everyone is covered. The 1st substitute was adopted. Commissioner Jason Long of the Utah Labor Commission said they were concerned about completely eliminating third party liability, and felt the original bill went too far. They are now neutral on the bill.

Yeas: 12

Nays: 0

N/V: 4

**Outcome: 1st Sub. HB 355 was held in committee.**

