

## HOUSE BILL NO. 650

INTRODUCED BY C. HARRIS

A BILL FOR AN ACT ENTITLED: "AN ACT TRANSFERRING \$90,000 OF THE EXCESS FUNDS FROM CLAIMS OCCURRING BEFORE JULY 1, 1990, TO THE OFFICE OF PUBLIC INSTRUCTION FOR A GRANT WRITING POSITION; AMENDING SECTION 39-71-2352, MCA; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 39-71-2352, MCA, is amended to read:

**"39-71-2352. Separate payment structure and sources for claims for injuries resulting from accidents that occurred before July 1, 1990, and on or after July 1, 1990 -- spending limit -- authorizing transfer of money for payment of claims.** (1) Premiums paid to the state fund based upon wages payable before July 1, 1990, may be used only to administer and pay claims for injuries resulting from accidents that occurred before July 1, 1990. Premiums paid to the state fund based upon wages payable on or after July 1, 1990, may be used only to administer and pay claims for injuries resulting from accidents that occur on or after July 1, 1990.

(2) The state fund shall:

(a) determine the cost of administering and paying claims for injuries resulting from accidents that occurred before July 1, 1990, and separately determine the cost of administering and paying claims for injuries resulting from accidents that occur on or after July 1, 1990;

(b) keep adequate and separate accounts of the costs determined under subsection (2)(a); and

(c) fund administrative expenses and benefit payments for claims for injuries resulting from accidents that occurred before July 1, 1990, and claims for injuries resulting from accidents that occur on or after July 1, 1990, separately from the sources provided by law.

(3) The state fund may not spend more than \$1.25 million a year to administer claims for injuries resulting from accidents that occurred before July 1, 1990.

(4) As used in this section, "adequately funded" means the present value of:

(a) the total cost of future benefits remaining to be paid;

(b) the cost of administering the claims; and

(c) an additional amount equal to 10% of the total of the amounts in subsections (4)(a) and (4)(b).

(5) Based on audited financial statements adjusted for unrealized gains and losses for the fiscal year ending June 30, 2002, funds in excess of the adequate funding amount established in subsection (4) must be transferred as follows:

~~\_\_\_\_\_ (a) Prior to June 30, 2003:~~

~~\_\_\_\_\_ (i) the amount of \$1.9 million must be transferred to the general fund to be transferred to the state library equipment account and appropriated to the university system and the department of public health and human services; and~~

~~\_\_\_\_\_ (ii) the amount of \$2.1 million must be transferred to the school flexibility fund, provided for in 20-9-543.~~

~~(b)(a) Except as provided in subsection (5) (b), in the fiscal year ending June 30, 2003, the remaining amount, and in subsequent each fiscal years year, an amount of funds in excess of the adequate funding amount established in subsection (4) must be transferred to the account established in 39-71-2321 to pay claims for injuries resulting from accidents that occurred on or after July 1, 1990. The total amount of funds transferred under this subsection (5) may not exceed \$63.8 million.~~

~~(b) In the fiscal year beginning July 1, 2003, and in subsequent fiscal years, the amount of \$90,000 must be transferred to the office of public instruction to establish a full-time grant writing position to assist school districts in finding and applying for public and private sector grants for education-related purposes.~~

(6) If in any fiscal year after the old fund liability tax is terminated claims for injuries resulting from accidents that occurred before July 1, 1990, are not adequately funded, any amount necessary to pay claims for injuries resulting from accidents that occurred before July 1, 1990, must be transferred from the general fund to the account provided for in 39-71-2321.

(7) The independent actuary engaged by the state fund pursuant to 39-71-2330 shall project the unpaid claims liability for claims for injuries resulting from accidents that occurred before July 1, 1990, each fiscal year until all claims are paid."

**NEW SECTION. Section 2. Effective date.** [This act] is effective July 1, 2003.

**NEW SECTION. Section 3. Termination.** [This act] terminates June 30, 2007.

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