

1 SENATE BILL NO. 315

2 INTRODUCED BY J. ESP

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE AUTHORITY AND DUTY TO TRANSFER MONEY
5 FROM THE STATE COMPENSATION INSURANCE FUND TO THE STATE GENERAL FUND; PROVIDING
6 A FUND TRANSFER FROM THE STATE GENERAL FUND TO THE STATE COMPENSATION INSURANCE
7 FUND; AMENDING SECTIONS 39-71-2321 AND 39-71-2352, MCA; AND PROVIDING AN IMMEDIATE
8 EFFECTIVE DATE."

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

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12 **Section 1.** Section 39-71-2321, MCA, is amended to read:
13 **"39-71-2321. What to be deposited in state fund.** (1) All premiums, penalties, recoveries by
14 subrogation, interest earned upon money belonging to the state fund, securities acquired by or through use of
15 money, and all interest and penalties on taxes in accordance with 15-1-501 must be deposited in the state fund.
16 ~~Except for a transfer authorized under 39-71-2352, the~~ The money must be separated into two accounts based
17 upon whether they relate to claims for injuries resulting from accidents that occurred before July 1, 1990, or
18 claims for injuries resulting from accidents that occur on or after that date.

19 (2) All funds deposited in the state fund may be spent as provided in 17-8-101(2)(b)."
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21 **Section 2.** Section 39-71-2352, MCA, is amended to read:
22 **"39-71-2352. Separate payment structure and sources for claims for injuries resulting from**
23 **accidents that occurred before July 1, 1990, and on or after July 1, 1990 -- spending limit -- authorizing**
24 **transfer of money.** (1) Premiums paid to the state fund based upon wages payable before July 1, 1990, may
25 be used only to administer and pay claims for injuries resulting from accidents that occurred before July 1, 1990.
26 Premiums paid to the state fund based upon wages payable on or after July 1, 1990, may be used only to
27 administer and pay claims for injuries resulting from accidents that occur on or after July 1, 1990.

28 (2) The state fund shall:

29 (a) determine the cost of administering and paying claims for injuries resulting from accidents that
30 occurred before July 1, 1990, and separately determine the cost of administering and paying claims for injuries

1 resulting from accidents that occur on or after July 1, 1990;

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

3 (c) fund administrative expenses and benefit payments for claims for injuries resulting from accidents
4 that occurred before July 1, 1990, and claims for injuries resulting from accidents that occur on or after July 1,
5 1990, separately from the sources provided by law.

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

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

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

10 (b) the cost of administering the claims.

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

13 ~~—— (a) Prior to June 30, 2003:~~

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

17 ~~—— (ii) the amount of \$2.1 million must be transferred to the school flexibility fund, provided for in 20-9-543;~~
18 ~~and~~

19 ~~—— (iii) the amount of \$9,178,000 must be transferred to the general fund.~~

20 ~~—— (b) Prior to June 30, 2004, an amount up to \$4.3 million in available excess funds from fiscal year 2003~~
21 ~~must be transferred to the general fund:~~

22 ~~—— (c) Prior to June 30, 2005, an amount up to \$3.78 million in available excess funds from fiscal year 2004~~
23 ~~must be transferred to the general fund:~~

24 ~~—— (d) In the fiscal years 2004 and 2005, any remaining amount, and in subsequent fiscal years, an amount~~
25 ~~of funds in excess of the adequate funding amount established in subsection (4), based on audited financial~~
26 ~~statements adjusted for unrealized gains and losses, must be transferred to the general fund:~~

27 ~~(6)(5)~~ If in any fiscal year after the old fund liability tax is terminated claims for injuries resulting from
28 accidents that occurred before July 1, 1990, are not adequately funded, any amount necessary to pay claims
29 for injuries resulting from accidents that occurred before July 1, 1990, must be transferred from the general fund
30 to the account provided for in 39-71-2321.

