

HOUSE BILL NO. 627

INTRODUCED BY R. OSMUNDSON

BY REQUEST OF THE HOUSE JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

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A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A WORKER TRAINING AND ECONOMIC DEVELOPMENT ACCOUNT TO IMPLEMENT PROVISIONS OF THE GENERAL APPROPRIATIONS ACT; ALLOWING PAYMENT FOR CAREER GUIDANCE AND ACADEMIC COUNSELING PROGRAMS FROM THE EMPLOYMENT SECURITY ACCOUNT; REQUIRING EXCESS FUNDS IN THE UNINSURED EMPLOYERS' FUND TO BE TRANSFERRED TO THE WORKER TRAINING AND ECONOMIC DEVELOPMENT ACCOUNT; AMENDING SECTIONS 39-51-409 AND 39-71-503, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. Section 1. Worker training and economic development account. (1) There is an account in the state special revenue fund called the worker training and economic development account.

(2) Money deposited in the worker training and economic development account may be appropriated to the department for payment of:

- (a) incumbent worker training programs; and
- (b) expenses incurred in the administration of incumbent worker training programs.

(3) On June 30 of each odd-numbered year, any unencumbered funds in the uninsured employers' fund established in 39-71-503 in excess of \$800,000 must be transferred to the worker training and economic development account.

Section 2. Section 39-51-409, MCA, is amended to read:

"39-51-409. Employment security account. (1) There is an account in the state special revenue fund called the employment security account.

(2) Money deposited in the employment security account may be appropriated to the department for

1 payment of:

2 (a) unemployment insurance benefits;

3 (b) expenses incurred in the administration of the unemployment insurance program;

4 (c) expenses incurred in collecting money deposited in the account;

5 (d) expenses incurred for the employment offices established in 39-51-307, including expenses for
6 providing services to the business community;

7 (e) expenses incurred for the apprenticeship and training program;

8 (f) expenses for the jobs for Montana graduates program;

9 ~~(f)~~(g) expenses for displaced homemaker programs provided for under 39-7-305;

10 ~~(g)~~(h) expenses for department research and analysis functions that provide employment, wage, and
11 economic data and career guidance and academic counseling programs to help students make decisions related
12 to career preparation;

13 ~~(h)~~(i) expenses for department functions pertaining to wage and hour laws, prevailing wages, and
14 collective bargaining; and

15 ~~(i)~~(j) principal, interest, and redemption premium on employment security revenue bonds authorized in
16 section 5, Chapter 435, Laws of 2009.

17 (3) Except as provided in sections 6 and 12, Chapter 435, Laws of 2009, the department may transfer
18 funds from the employment security account to the unemployment insurance fund account provided for in
19 39-51-402 upon receiving approval from the budget director that the transfer will not decrease the money in the
20 account below the level appropriated by the legislature to provide for the employment services programs identified
21 in subsection (2).

22 (4) The department may transfer appropriation authority in employment services programs between the
23 federal special revenue and the state special revenue fund types."
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25 **Section 3.** Section 39-71-503, MCA, is amended to read:

26 **"39-71-503. Uninsured employers' fund -- purpose and administration of fund -- maintaining**
27 **balance for administrative costs -- appropriation.** (1) There is created an uninsured employers' fund in the
28 state special revenue account to pay:

29 (a) to an injured employee of an uninsured employer the same benefits the employee would have
30 received if the employer had been properly enrolled under compensation plan No. 1, 2, or 3, except as provided

1 in subsection (3);

2 (b) the costs of investigating and prosecuting workers' compensation fraud under 2-15-2015; and

3 (c) the expenses incurred by the department in administering the uninsured employers' fund.

4 (2) The department may refer to the workers' compensation fraud office, established in 2-15-2015, cases
5 involving:

6 (a) false or fraudulent claims for benefits; and

7 (b) criminal violations of 45-7-501.

8 (3) (a) Except as provided in subsection (3)(b), surpluses and reserves may not be kept for the fund.

9 Pursuant to [section 1(3)], any unencumbered funds in the account in excess of \$800,000 on June 30 of each
10 odd-numbered year must be transferred to the worker training and economic development account established
11 in [section 1]. The department shall make payments that it considers appropriate as funds become available from
12 time to time. The payment of weekly disability benefits takes precedence over the payment of medical benefits.
13 Lump-sum payments of future projected benefits, including impairment awards, may not be made from the fund.
14 The board of investments shall invest the money of the fund, and the investment income must be deposited in
15 the fund.

16 (b) The department shall maintain at least a 3-month balance based on projected budget costs for
17 administration of the fund. The balance for administrative costs may be used by the department only in
18 administering the fund.

19 (c) The maximum aggregate medical benefits expenditure that may be made from the fund may not
20 exceed \$100,000 for any single claim regardless of whether the claim arises from an injury or an occupational
21 disease.

22 (4) The amounts necessary for the payment of benefits from the fund are statutorily appropriated, as
23 provided in 17-7-502, from the fund."

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25 NEW SECTION. Section 4. Codification instruction. [Section 1] is intended to be codified as an
26 integral part of Title 39, chapter 51, part 4, and the provisions of Title 39, chapter 51, part 4, apply to [section 1].

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28 NEW SECTION. Section 5. Effective date. [This act] is effective on passage and approval.

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