

HOUSE BILL NO. 627

INTRODUCED BY R. OSMUNDSON

BY REQUEST OF THE HOUSE JOINT APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT

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 AND THE DEPARTMENT OF COMMERCE 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~~ \$1.6 MILLION 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 AND THE DEPARTMENT OF COMMERCE for payment of:



- 1 (a) unemployment insurance benefits;
- 2 (b) expenses incurred in the administration of the unemployment insurance program;
- 3 (c) expenses incurred in collecting money deposited in the account;
- 4 (d) expenses incurred for the employment offices established in 39-51-307, including expenses for
- 5 providing services to the business community;
- 6 (e) expenses incurred for the apprenticeship and training program;
- 7 (f) expenses for the jobs for Montana graduates program;
- 8 ~~(f)~~(g) expenses for displaced homemaker programs provided for under 39-7-305;
- 9 ~~(g)~~(h) expenses for department research and analysis functions that provide employment, wage, and
- 10 economic data and career guidance and academic counseling programs to help students make decisions related
- 11 to career preparation;
- 12 ~~(h)~~(i) expenses for department functions pertaining to wage and hour laws, prevailing wages, and
- 13 collective bargaining; and
- 14 ~~(i)~~(j) principal, interest, and redemption premium on employment security revenue bonds authorized in
- 15 section 5, Chapter 435, Laws of 2009.
- 16 (3) Except as provided in sections 6 and 12, Chapter 435, Laws of 2009, the department may transfer
- 17 funds from the employment security account to the unemployment insurance fund account provided for in
- 18 39-51-402 upon receiving approval from the budget director that the transfer will not decrease the money in the
- 19 account below the level appropriated by the legislature to provide for the employment services programs identified
- 20 in subsection (2).
- 21 (4) The department may transfer appropriation authority in employment services programs between the
- 22 federal special revenue and the state special revenue fund types."

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24 **Section 3.** Section 39-71-503, MCA, is amended to read:

25 **"39-71-503. Uninsured employers' fund -- purpose and administration of fund -- maintaining**

26 **balance for administrative costs -- appropriation.** (1) There is created an uninsured employers' fund in the

27 state special revenue account to pay:

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

- 1 (b) the costs of investigating and prosecuting workers' compensation fraud under 2-15-2015; and
2 (c) the expenses incurred by the department in administering the uninsured employers' fund.
- 3 (2) The department may refer to the workers' compensation fraud office, established in 2-15-2015, cases
4 involving:
- 5 (a) false or fraudulent claims for benefits; and
6 (b) criminal violations of 45-7-501.
- 7 (3) (a) Except as provided in subsection (3)(b), surpluses and reserves may not be kept for the fund.
8 Pursuant to [section 1(3)], any unencumbered funds in the account in excess of \$800,000 \$1.6 MILLION on June
9 30 of each odd-numbered year must be transferred to the worker training and economic development account
10 established in [section 1]. The department shall make payments that it considers appropriate as funds become
11 available from time to time. The payment of weekly disability benefits takes precedence over the payment of
12 medical benefits. Lump-sum payments of future projected benefits, including impairment awards, may not be
13 made from the fund. The board of investments shall invest the money of the fund, and the investment income
14 must be deposited in the fund.
- 15 (b) The department shall maintain at least a 3-month balance based on projected budget costs for
16 administration of the fund. The balance for administrative costs may be used by the department only in
17 administering the fund.
- 18 (c) The maximum aggregate medical benefits expenditure that may be made from the fund may not
19 exceed \$100,000 for any single claim regardless of whether the claim arises from an injury or an occupational
20 disease.
- 21 (4) The amounts necessary for the payment of benefits from the fund are statutorily appropriated, as
22 provided in 17-7-502, from the fund."

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24 NEW SECTION. Section 4. Codification instruction. [Section 1] is intended to be codified as an
25 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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27 NEW SECTION. Section 5. Effective date. [This act] is effective on passage and approval.

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