

HOUSE BILL NO. 556

INTRODUCED BY D. EWER

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4 A BILL FOR AN ACT ENTITLED: "AN ACT PROHIBITING FINANCIAL OR MATERIAL INCENTIVES TO
 5 DISCOURAGE EMPLOYEES FROM REPORTING ACCIDENTS AND FILING WORKERS' COMPENSATION
 6 CLAIMS; PROVIDING FOR INVESTIGATION AND PROSECUTION FOR EMPLOYER MISCONDUCT BY THE
 7 FRAUD DETECTION AND PREVENTION UNIT; AND AMENDING SECTION 45-7-501, MCA."

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

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11 NEW SECTION. **Section 1. Incentives for nonreporting prohibited.** An employer may not offer a
 12 financial or material incentive that has the intent or effect of encouraging one or more employees not to report
 13 accidents or injuries arising out of or in the course of employment or that encourages an employee not to file a
 14 claim for injuries. An employer who makes an offer of incentives that has the intent or effect of discouraging
 15 reporting of accidents or filing of claims is guilty of employer misconduct and may be prosecuted under 45-7-501.
 16 An offer of incentives may be reported to and is subject to investigation and prosecution by the fraud detection
 17 and prevention unit as provided in 39-71-211.

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19 **Section 2.** Section 45-7-501, MCA, is amended to read:

20 **"45-7-501. Employer misconduct.** (1) A person who is an employer, as defined in 39-71-117, commits
 21 the offense of employer misconduct if ~~he~~ the employer knowingly or purposely:

22 (a) avoids ~~his~~ the employer's responsibility to provide coverage for ~~his~~ the employer's employees as
 23 required by 39-71-401;

24 (b) misrepresents or falsifies employment records or information, including but not limited to understating
 25 the amount of payroll or the number of ~~his~~ employees; ~~or~~

26 (c) refuses to pay premiums that ~~he~~ the employer is obligated to pay under compensation plan No. 2,
 27 as provided in Title 39, chapter 71, part 22, or compensation plan No. 3, as provided in Title 39, chapter 71, part
 28 23; or

29 (d) discourages a person through financial or material incentives from filing claims for or obtaining
 30 benefits as provided in [section 1].

1 (2) A person convicted of the offense of employer misconduct shall be fined an amount not to exceed
2 \$50,000 or imprisoned in the state prison for ~~any~~ a term not to exceed 10 years, or both."

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4 NEW SECTION. Section 3. Codification instruction. [Section 1] is intended to be codified as an
5 integral part of Title 39, chapter 71, part 3, and the provisions of Title 39, chapter 71, part 3, apply to [section 1].

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