GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill #	HB0646	**Title:**	Generally revise environmental, tax, and labor laws
Primary Sponsor:	Dunwell, Mary Ann	**Status:**	As Introduced

☒Significant Local Gov Impact ☒Needs to be included in HB 2 ☒Technical Concerns

☐Included in the Executive Budget ☐Significant Long-Term Impacts ☐Dedicated Revenue Form Attached

FISCAL SUMMARY

	FY 2022 Difference	FY 2023 Difference	FY 2024 Difference	FY 2025 Difference
Expenditures:				
General Fund	$598,691	$855,382	$813,736	$731,252
State Special Revenue	$972,994	$1,233,858	$1,198,048	$1,121,486
Revenue:				
General Fund	$2,417,000	$4,009,000	$5,913,000	$7,595,000
State Special Revenue	$58,532,231	$61,980,867	$65,449,524	$69,172,631
Other - Trust Fund	$2,360,000	$3,920,000	$5,470,000	$7,030,000
Net Impact-General Fund Balance:	$1,818,309	$3,153,618	$5,099,264	$6,863,748

Description of fiscal impact: HB 646 creates two additional taxes on electrical energy generation: a worker displacement tax and a lost coal tax dollar replacement tax. The taxes trigger when renewable energy is cheaper than non-renewable energy. The amount of taxes levied cannot exceed 85% of the savings accruing to consumers from cheaper renewable energy. The bill creates three new special revenue types to deal with displaced fossil-fuel workers, coal impacted communities, and tribal coal replacements.

FISCAL ANALYSIS

Assumptions:

Department of Revenue

1. The department will require an additional FTE economist to conduct the research studies, data collection, program evaluation, and tribal and department coordination to fulfill the obligations of Section 6.
2. There is a one-time cost of $15,600 for form changes and implementation into the integrated tax software.
3. The Department of Revenue will begin assessing the tax at the start of FY 2022. The department is required to analyze yearly and make recommendations to the legislature and the governor regarding the split of coal replacement taxes or the necessity of decreasing replacement taxes.

4. This bill is retroactively applicable to the current tax year in requiring electric generating companies to provide information on costs of generation for fossil-fuel and non-fossil-fuel generation.
5. The new tax will begin to be assessed on July 1, 2021 after the department performs the consumer savings calculation on May 1, 2021.
6. The bill places an additional per kilowatt hour (KWh) fee onto the existing Electrical Energy License Tax.
7. It is assumed that lost coal revenue will not be offset by renewable resource development, increased revenue from the wholesale electrical transmission tax, or from federal offsets during the time period covered by this fiscal note.
8. It is assumed savings to consumers referenced in section 15-51-101(1)(c)(ii) will be greater than the thresholds referenced in section 15-51-101(1)(c)(iii)(B). As a result, the tax rates outlined in section 15-51-101(2)(b)(i) will be assessed on electrical energy production.
9. In addition to the tax rates levied per section 15-51-101(2)(b)(i), there will also be displaced worker tax of $0.0025 applied to each KWh produced.
10. The total additional tax from the energy generation determination equals $0.002866/KWh in CY 2021, $0.003232/KWh in CY 2022, $0.003654/KWh in CY 2023, $0.003598/KWh in CY 2024, and $0.004331/KWh in CY 2025.
11. These fees are converted to fiscal years by taking half of the preceding calendar year added to half the calendar year matching the fiscal year. For example, FY 2022 fees are ($0.002866 + $0.003232) / 2 = $0.003049/KWh.
12. Fees by fiscal year are $0.003049/KWh in FY 2022, $0.003415/KWh in FY 2023, $0.003781/KWh in FY 2024, and $0.004147/KWh in FY 2025.
13. Fiscal year kilowatt hour estimates from HJ 2 are used to estimate total revenue from this per kilowatt hour tax increase.
14. These KWh HJ 2 estimates are 21.115 million in FY 2022, 21.015 million in FY 2023, 20.952 million in FY 2024, and 20.931 million in FY 2025.
15. Total taxes collected by new fees are $64.380 in FY 2022, $71.766 million in FY 2023, $79.229 million in FY 2024, and $86.810 million in FY 2025.
16. This additional tax revenue is split into two general categories, replacement coal tax revenue and a special revenue account administered by the Department of Labor and Industry to aid displaced workers.
17. The displaced worker account will receive $52.788 million in FY 2022, $52.538 in FY 2023, $52.380 million in FY 2024, and $52.328 million in FY 2025.
18. The coal tax revenue replacement accounts will receive $11.592 million in FY 2022, $19.229 million in FY 2023, $26.840 million in FY 2024, and $34.473 million in FY 2025.
19. Five percent of this revenue must be deposited in a special revenue account under Department of Commerce to ameliorate loss of coal royalty and other revenue in coal impacted communities. This account is called the "Coal Impacted Community Account" in the table below.
20. The rest of the coal tax replacement dollars are statutorily appropriated in section 15-51-101(2)(b)(ii)(A) amongst various funds.
21. Coal gross proceeds tax dollars are shared between the state, university system, and counties where coal mining took place. The shared revenue split is equal to the relative millage rate in FY 1990. The estimated split used for this fiscal note is the average for FY 2020.
22. The table on the next page summarizes the tax rates and appropriations of all tax dollars resulting from HB 646. CGP is Coal Gross Proceeds and RIT is the Resource Indemnity Trust.

		FY 2022	FY 2023	FY 2024	FY 2025
Additional Kilowatt Hour Tax		$0.0030	$0.0034	$0.0038	$0.0041
Total Kilowatt Hours (millions)		21,115	21,015	20,952	20,931
Additional Revenue (millions)		$64.38	$71.77	$79.23	$86.81
State Special Revenue (millions)		**$60.83**	**$65.89**	**$70.69**	**$75.85**
NEW	*Displaced Worker Acct.*	$52.79	$52.54	$52.38	$52.33
NEW	*Coal Impacted Community Acct.*	$0.58	$0.96	$1.34	$1.72
NEW	*Tribal Coal Royalty Replacement Acct.*	$1.80	$2.98	$4.16	$5.34
Coal Severance	*Long Range Building Program. Acct.*	$0.57	$0.94	$1.31	$1.69
Coal Severance	*Library Services*	$0.04	$0.07	$0.10	$0.13
Coal Severance	*Conservation Districts*	$0.18	$0.29	$0.41	$0.52
Coal Severance	*Growth Through Agriculture Act*	$0.04	$0.06	$0.09	$0.12
Coal Severance	*Parks Trust Fund*	$0.06	$0.10	$0.14	$0.18
Coal Severance	*Renewable Resource Loans Debt Service*	$0.04	$0.07	$0.10	$0.13
Coal Severance	*Capitol Art Protection Trust Fund*	$0.03	$0.05	$0.07	$0.09
Coal Severance	*Coal Natural Resource Acct.*	$0.27	$0.45	$0.32	$0.41
Coal Severance	*School Facilities Trust Fund*	$1.77	$2.94	$4.10	$5.27
Coal Severance	*Big Sky Economic Development Trust Fund*	$0.59	$0.98	$1.37	$1.76
CGP	*University System*	$0.08	$0.14	$0.19	$0.24
State Lands	*Common Schools*	$1.80	$2.98	$4.16	$5.34
RIT	*Hazardous Waste/CERCLA*	$0.05	$0.08	$0.11	$0.15
RIT	*Environmental Quality Protection*	$0.05	$0.08	$0.11	$0.15
RIT	*Natural Resources Projects*	$0.10	$0.16	$0.23	$0.29
General Fund (millions)		**$2.42**	**$4.01**	**$5.91**	**$7.60**
	Coal Severance	$1.13	$1.87	$2.93	$3.76
	Coal Gross Proceeds	$0.61	$1.01	$1.41	$1.82
	Federal Royalties	$0.68	$1.12	$1.57	$2.01
Local Governments (millions)		**$1.13**	**$1.88**	**$2.62**	**$3.36**
	Coal Gross Proceeds	$0.91	$1.50	$2.10	$2.69
	Federal Royalties	$0.23	$0.37	$0.52	$0.67
Total (millions)		**$64.38**	**$71.77**	**$79.23**	**$86.81**

Department of Natural Resources and Conservation

23. Coal royalties and rentals will continue to come from common school trust lands but are expected to decrease over time due to existing and potential future bankruptcies in addition to a decrease in demand.
24. A portion of the coal tax replacement revenue generated from taxes on electrical energy production following an energy generation determination by the Department of Revenue are dedicated to replacing reduced royalty and rental payments from coal production on state-owned lands.
25. Per section 15-51-101(2)(b)(ii)(A)(IV) of the bill, 16.3% of the revenue dedicated to coal tax replacement is allocated to the DNRC to replace lost coal rentals and royalties.
26. Estimated revenue from coal tax replacement revenue is $1.8 million in FY 2022, $2.98 million in FY 2023, $4.16 million in FY 2024, and $5.34 million in FY 2025.

27. Replacement revenue for lost coal rental and royalty payments from state lands is directed to DNRC and will be deposited in the common school permanent fund and the common school guarantee account. Typically, coal revenue from state lands is allocated 95% to the permanent fund and 5% to the guarantee account. The exact percentages depend on the type of income received (royalty/rent/bonus).
28. The permanent fund generates interest for the trust beneficiaries. Interest for the common school trust is allocated 95% to the guarantee account with 5% reinvested in the common school permanent fund. Interest on the common school fund is forecasted at a rate of 3.10% for FY 2022; 2.93% for FY 2023; 2.77% for FY 2024 and 2.61% for FY 2025. Interest rates were provided by the Board of Investments, whose responsibility it is to manage the trust and legacy fund.
29. Additional interest income from replacement revenue deposited in the common school permanent fund amounts to $55,500 in FY 2022, $111,900 in FY 2023, $220,400 in FY 2024, and $346,400 in FY 2025. Five percent of this income is reinvested in the permanent fund and the remainder is distributable revenue.
30. The replacement revenue would provide additional revenue in the following funds within the DNRC:
    a. Natural resources projects account (02577);
    b. GO bond debt service-renewable resource (04011); and
    c. Conservation districts account (02048).
31. The additional revenue would replace only a portion of the reduction to the revenues to these funds.
32. HB 374, if passed and approved, will backfill the revenue shortfalls in the conservation district (established in 76-15-106, MCA) and basic library services (established in 22-1-202, MCA) accounts with general fund. If this bill is passed and approved, it could reduce the amount of general fund needed for those backfills to the conservation district and library services accounts.

Department of Commerce

33. Section 15 of the bill requires the Department of Commerce to assist the economies of coal-impacted communities and tribes through the development of an economic diversification and development plan and by the creation of multipurpose services or other programs. The department would also be required to actively seek, apply for, and receive grants for multiple sources.
34. Per the Montana Coal Board there are thirteen coal impacted communities. In developing the economic diversification and development plan, the department will engage in a public planning process with each impacted community and each of the eight tribes and determine what services or programs would be needed to assist each community.
35. To implement the public planning process, develop the economic diversification and development plan, and research and apply for new grants, would require three full-time FTE as well the engagement of a private contractor to provide technical advice and services to the communities and tribes, as well as additional travel and other operating costs:

	FY 2022	FY 2023	FY 2024	FY 2025
Personal Services:	**$ 266,268**	**$ 268,057**	**$ 272,078**	**$ 276,159**
Operating Expenses	**$ 229,394**	**$ 214,759**	**$ 217,980**	**$ 221,250**
Total Costs:	**$ 495,663**	**$ 482,816**	**$ 490,058**	**$ 497,409**

36. The scope of the multi-purpose services and other programs required to be developed by the department would depend on several factors which are unknown at this time: The amount of revenue derived from coal replacement tax, the availability and applicability of federal, state, and other grant funding, and the needs of each impacted community and tribe as determined through the development of the economic development and diversification plan. Due to these unknown factors the department cannot estimate with any degree of accuracy the full fiscal impact of the bill.

Office of Public Instruction

37. Additional revenue generated from HB 646 for the coal sub-trust state special revenue school facilities trust fund would be $1.77 million in FY 2022, $2.94 million in FY 2023, $4.10 million in FY 2024, and $5.27 million in FY 2025 according to the table generated by the Department of Revenue. This funding would be deposited into the corpus of the Coal Trust sub-fund. Additional interest generated from this additional funding would be about $2,000 during the 2023 biennium. Interest from this account funds the school major maintenance payment.
38. HB 646 generates additional revenue from state lands for common schools which is deposited to the state special revenue guarantee account. Increased revenue to the guarantee account creates a direct offset to the state general fund.
39. The data from the Department of Revenue indicates additional funding to the guarantee account of $1.80 million in FY 2022, $2.98 million in FY 2023, $4.16 million in FY 2024 and $5.34 million in FY 2025.
40. The guarantee account is the first source of funding for BASE aid to K-12 public schools. This additional funding to the guarantee account allows for a like decrease to BASE aid expenditures in the general fund.

Department of Labor and Industry

41. DLI estimates there are currently 3,061 workers employed in Montana by coal and fossil fuel, as defined by this bill. This does not include transportation or railroad workers who might be subject to the bill as DLI lacks sufficient information to estimate that figure. For this fiscal note, it is assumed that there will be a 25% downsize of workers who qualify for this bill between fiscal years 2023 and 2025. It is also assumed that of the 765 workers who would be affected within the first three years, 50% will be served within the first 18 months, 30% in FY 2024 and 20% in FY 2025.
42. DLI assumes that of the 765 people eligible for and seeking services under this program within FY 2023-2025, approximately 25% of them, or 191 individuals, would receive training services.
43. The average cost of training and supportive services per client trained in general workforce programs is approximately $3,000 per person. Using this model, it is anticipated that $573,938 would be needed to provide training assistance and supportive services from FY 2022-FY 2025. The below table breaks out the estimated number of individuals served, the anticipated number of individuals receiving training and supportive services and the estimated dollar amount per fiscal year, using the assumptions above.

	FY 2023	FY 2024	FY 2025	FY 2026
Individuals Served	128	255	230	153
Individuals Receiving Training & Supportive Services	32	64	57	38
Cost of Training & Supportive Services	$ 95,656	$ 191,313	$ 172,181	$ 114,788

44. Under the current HELP-Link program, DLI case-managed approximately 600 individuals over 30-months, using the equivalent of 5 FTE for case management during this time period. Using this model, approximately 1 FTE is needed for every 50 individuals that is case-managed each year. Based on the number of individuals estimated to receive services in the table above, DLI estimates that an additional 5 FTE would be needed to serve this population. These positions would be Band 5 Employment Specialists. Estimated annual salary and benefits for each person is $52,201 for a total annual cost of $261,004 for an additional 5 FTE ($130,502 in FY 2022 due to this program taking effect in January and running for only ½ of the fiscal year).
45. With the specific requirements and outreach needed for this program, as well as the extensive coordination required with other agencies and entities, DLI would need a dedicated, full-time program manager to oversee and coordinate the program. This position would be a Band 6 Administrative Specialist with an annual salary of $78,213 ($39,106 in FY 2022 for ½ of the year).

46. To assist with the program evaluation and study requirements under this bill, DLI would need a 0.50 FTE for a Band 7 Economist. With salary and benefits, the annual cost for this position would be $51,730 ($25,865 for FY 2022 for ½ of the year).
47. Each of these new employees would require a desk and computer, estimated at $2,800 per employee for a total of $18,200.
48. Direct operating costs associated with the addition of 6.5 FTE is estimated to be $76,950 per year ($38,475 in FY 2021 for ½ of the year). This includes $30,689 for the DLI cost allocation program calculated at 7.85% of personal services, $20,748 in technology services costs calculated at $266 per month per FTE, $19,013 in ITSD costs, $3,250 in other fixed costs and $3,250 in miscellaneous supplies.
49. Other general administrative and management costs typically equate to approximately 7.5% of program personnel services and operating costs. At a total estimated cost for this program in service delivery, the general administrative and management costs are estimated to increase by $35,092 per year ($17,546 in FY 2022 for ½ of the year).
50. This bill requires the department to provide information and materials pertinent to the programs and services available to individuals eligible under this program. DLI estimates an additional $5,000 will be required on an annual basis to ensure materials are developed, printed and distributed.
51. There will be need for significant legal counsel during the first biennium to assist with program establishment and process development. DLI assumes this will require approximately 0.25 FTE in legal assistance, or 520 hours per year for the first two years. At DLI's legal rate of $102/hour, this will cost the program $106,080. Of this $26,520 would be charged in FY 2023, $53,040 would be charged in FY 2024 and $26,520 would be charged in FY 2025.
52. One-time-only administrative rule-making costs related to the workforce training program are estimated to be $1,500. In addition to the legal work outlined above, this includes the cost to file a 20-page proposal with the Secretary of State's Office and a 5-page adoption notice for the rule-making process. The current rate for these filings is $60/page.
53. The Unemployment Insurance Division would also need to adopt administrative rules regarding the eligibility of persons who may be served under the Montana Cohesive Renewable Energy Policy, Fossil Fuel Worker Retraining, Coal Revenue Replacement, and Rural Economic Development Act. Rulemaking is estimated to be $5,060 including $500 to the Secretary of State for filing and publication (10 pages x $50 per page = $500). $440 for rule hearing and transcript ($95 per hour for Hearing Officer x 2 hours =$190 + $250 for court reporter and transcript), and $4,080 for additional legal time ($102/hour x 40 hours).
54. Since employees in the fossil fuel and coal industries are typically in higher wage brackets, the division assumes that any displaced fossil fuel worker would be eligible for the maximum Weekly Benefit Amount of $552, using current wage calculations.
55. It is assumed that each displaced fossil fuel or displaced coal-impacted worker who is otherwise eligible and who files for unemployment compensation benefits under this bill would receive regular (current law) benefits as follows:
    a. A maximum number of 28 weeks of regular benefits under 39-51-2204, MCA, and
    b. Additional training benefits of 104 weeks of benefits, based an additional 78 weeks of the claimant's regular weekly benefit amount under 39-51-2116, MCA, and 24.11.475 ARM.
56. Assuming entry into an approved training program within 3 months of becoming displaced, each displaced fossil fuel or displaced coal-impacted worker would be eligible for the following Fossil Fuel Worker Retraining (FFWR) benefits and in the absence of training funds otherwise available through other state, federal or private funded training programs, those benefits, including training benefits, would be paid out of the displaced fossil fuel workers' fund:
    a. 20% increase in weekly benefit payment amount during a training program;
    b. Up to 2 years of weekly benefit payments, including 20% benefit increase factor, during participation in a training program;

c. additional benefit amount not greater than $200 per month, needed to maintain up to one-third of the mortgage payments on the workers' primary Montana residence;
d. Up to 12 weeks of weekly benefit payments between completion of the training program and re-employment.

57. The displaced fossil fuel and displaced coal-impacted workers/fund established under the bill must be separate and distinct from any UI funds received from the federal government as federal administrative can only be used to administer the UI program for its intended purpose.
58. The division assumes that workers laid off under the Montana Cohesive Renewable Energy Policy, Fossil Fuel Worker Retraining, Coal Revenue Replacement, and Rural Economic Development Act would not be eligible to receive benefits or training under the Trade Adjustment Assistance Act (TRA or TAA participants) because the layoffs were not due to sending jobs overseas or because of trade competition.
59. The department is unable to estimate the total amount of the increase to benefits due, as we have no way of knowing when these workers would become unemployed, or for how long they would remain unemployed. For purposes of the fiscal note we are demonstrating what the impact to benefits would be under the following assumptions:

e. The department assumes one claimant will be laid off January 1, 2023. Actual claimants would likely be much higher, but this will demonstrate the cost impact for each claimant who fully utilized all additional benefits available to them.
f. Assumes the claimant collected unemployment benefits for 3 months before entering a retraining program.
g. Assumes 28 weeks regular Unemployment Insurance (UI) benefits plus an additional 78 weeks of training UI benefits.
h. Assumes the claimant will receive the current maximum weekly benefit of $552 per week for the duration of the claim.
i. Assumes the claimant will stay in retraining without breaks for the maximum allowable two years.
j. Assumes the claimant will continue to receive benefits for 12 weeks after retraining is complete.
k. Assumes the claimant will collect $200 per month for the additional mortgage payment for the full 2 years
l. Fossil Fuel Worker Retraining (FFWR) Act for purposes of the table.

	State fiscal year	amount charged to FFWR acct	Number of Claimants	weeks claimed	UI benefit amount/week	regular UI Benefits	additional 20%/week for FFWR Act
Regular UI Non-Training	2023	$0.00	1	12	$552	$6,624	$0
Regular UI Training	2023	$1,540	1	14	$552	$7,728	$110
Monthly Mortgage Assistance	2023	$1,200					
Total	**2023**	**$2,740**					
Regular UI Training	2024	$220	1	2	$552	$1,104	$110
Additional Training Weeks	2024	$2,860	1	26	$552	$14,352	$110
After expiration UI Benefits	2024	$15,888	1	24	$0	$0	$662

Monthly Mortgage Assistance	2024	$2,400					
Total	**2024**	**$21,368**					
After expiration UI Benefits	2025	$25,156	1	38	$0	$0	$662
After Completion of Training	2025	$7,944	1	12	$0	$0	$662
Monthly Mortgage Assistance	2025	$1,200					
Total	**2025**	**$34,300**					

60. UI used the Montana Real Estate Market View for September 29, 2017 for the average monthly mortgage payment of $1,026.00. As an additional benefit amount, up to one third of the mortgage payments, but not greater than $200.00, on the worker's primary.
61. When additional UI claimants are considered, the expenses indicated in this fiscal note would be larger; however, we are unable to determine when claimants would begin collecting benefits, or how long they would collect those benefits.

	FY 2022 Difference	FY 2023 Difference	FY 2024 Difference	FY 2025 Difference
Fiscal Impact:				
FTE	8.50	8.50	8.50	8.50
Expenditures:				
Personal Services	$556,836	$755,335	$760,611	$765,967
Dept. of Revenue	$95,094	$96,331	$97,586	$98,861
Dept. of Commerce	$266,268	$268,057	$272,078	$276,159
Dept. of Labor and Industry	$195,474	$390,947	$390,947	$390,947
Operating Expenses	$441,862	$391,550	$371,002	$347,906
Dept. of Revenue	$26,267	$8,009	$8,160	$8,314
Dept. of Commerce	$229,394	$214,759	$217,980	$221,250
Dept. of Labor and Industry	$186,201	$168,782	$144,862	$118,342
Equipment	$0	$0	$0	$0
Benefits (DLI)	$95,656	$191,313	$172,181	$114,788
Transfers	$0	$0	$0	$0
TOTAL Expenditures	$1,094,354	$1,338,198	$1,303,794	$1,228,661
Funding of Expenditures:				
General Fund (01)	$598,691	$855,382	$813,736	$731,252
State Special Revenue (02)	$972,994	$1,233,858	$1,198,048	$1,121,486
Other	$0	$0	$0	$0
TOTAL Funding of Exp.	$1,571,685	$2,089,240	$2,011,784	$1,852,738
Revenues:				
General Fund (01)	$2,417,000	$4,009,000	$5,913,000	$7,595,000
State Special Revenue (02)	$58,532,231	$61,980,867	$65,449,524	$69,172,631
Other - Trust Fund (09)	$2,360,000	$3,920,000	$5,470,000	$7,030,000
TOTAL Revenues	$63,309,231	$69,909,867	$76,832,524	$83,797,631
Net Impact to Fund Balance (Revenue minus Funding of Expenditures):				
General Fund (01)	$1,818,309	$3,153,618	$5,099,264	$6,863,748
State Special Revenue (02)	$57,559,237	$60,747,009	$64,251,476	$68,051,145
Other - Trust Fund (09)	$2,360,000	$3,920,000	$5,470,000	$7,030,000

Effect on County or Other Local Revenues or Expenditures:

1. Local governments share tax dollars from coal gross proceeds and federal mineral royalties with the state. The estimated fiscal impact is summarized in the table contained in the assumptions. This fiscal impact is only to local governments with coal production.

Technical Notes:

Department of Revenue

1. "Lost" coal tax dollars are not defined in the bill and therefore open to interpretation.
2. The Department of Revenue is given an option of two calculation methods to determine the savings to customers from the switch from fossil fuel electric generation to renewable electric generation but does not

clarify if one is preferable. Situations where the two methods would produce different results are not contemplated in the bill and would need to be addressed in rule.

Department of Natural Resources and Conservation

3. It appears that page 29, line 18 should reference 15-51-103(1)(g) instead of 15-51-103(1)(f), and page 29, line 20 should reference 15-51-103(1)(f) instead of 15-51-103(1)(g). The percentages listed in these sections of the bill are not consistent with the percentages in statements (4) and (5) of the WHEREAS clauses on page 3.

Department of Labor and Industry

4. "Displaced fossil fuel worker" or "displaced coal-impacted worker" includes transportation as an affected industry. Railroad workers receive benefits under the federal Railroad Unemployment Insurance Act, 45 U.S.C.351, et seq., and not under state law. Consequently, there is no means by which the division to apply the 0.02% assessment to wages paid by railroads to determine payment into the DFWF special revenue fund or determine weekly benefit amounts for displaced railway workers.
5. There is no means under the current interstate unemployment compensation program to implement the provisions of this act if a displaced worker filed for benefits in another state. This act could only be applied to state administered UI claims.
6. The act contemplates the borrowing of money by the department if the FFWR special revenue fund is not sufficient to cover the costs of benefits under the program. While the act provides that the loan be repaid from future assessments, it does not specify a source for the loan, and it is not likely that revenue from future assessments could repay the loan in a commercially reasonable time period.

	3-29-21	KA	3-25-21
Sponsor's Initials	*Date*	*Budget Director's Initials*	*Date*