

HOUSE BILL 124

Introduced by Gilbert

1/09	Introduced
1/09	Referred to Labor & Employment Relations
1/10	First Reading
1/10	Fiscal Note Requested
1/14	Fiscal Note Received
1/17	Fiscal note Printed
2/19	Hearing
2/22	Committee Report--Bill Passed as Amended
3/05	2nd Reading Passed
3/05	Taken from Engrossing and Referred to Appropriations
3/11	Hearing
3/23	Tabled in Committee

1 HOUSE BILL NO. 124
 2 INTRODUCED BY Liellert
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE
 5 DEPARTMENT OF LABOR AND INDUSTRY TO USE THE ASSESSMENT ON
 6 TAXABLE WAGES PAID BY EMPLOYERS AND DEPOSITED IN THE
 7 UNEMPLOYMENT INSURANCE ADMINISTRATION ACCOUNT TO PAY THE
 8 EXPENSES OF ADMINISTERING PUBLIC EMPLOYMENT OFFICES; AND
 9 AMENDING SECTION 39-51-404, MCA."

10

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

12 **Section 1.** Section 39-51-404, MCA, is amended to read:

13 *39-51-404. Administrative expenses. (1) Money credited
 14 to the account of this state in the unemployment trust fund
 15 by the secretary of the treasury of the United States
 16 pursuant to section 903 of the Social Security Act, as
 17 amended, may be requisitioned and used for the payment of
 18 expenses incurred for the administration of this chapter
 19 pursuant to a specific appropriation by the legislature,
 20 provided that the expenses are incurred and the money is
 21 requisitioned after the enactment of an appropriation law
 22 which that:

23 (a) specifies the purposes for which such the money is
 24 appropriated and the amounts appropriated therefor;

25 (b) limits the period within which such the money may

1 be expended to a period ending not more than 2 years after
 2 the date of the enactment of the appropriation law; and
 3 (c) limits the amount which that may be used during any
 4 12-month period beginning on July 1 and ending on the next
 5 June 30 to an amount which that does not exceed the amount
 6 by which the aggregate of the amounts credited to the
 7 account of this state pursuant to section 903 of the Social
 8 Security Act, as amended, during the same 12-month period
 9 and the 34 preceding 12-month periods exceeds the aggregate
 10 of the amounts used pursuant to this section and charged
 11 against the amounts credited to the account of this state
 12 during any of such the 35 12-month periods.

13 (2) For the purposes of this section, amounts used
 14 during any such 12-month period shall must be charged
 15 against equivalent amounts which that were first credited
 16 and which that are not already so charged, except that no
 17 amount used for administration during any such 12-month
 18 period may be charged against any amount credited during
 19 such a 12-month period earlier than the 34th preceding such
 20 the period. Money requisitioned for the payment of expenses
 21 of administration pursuant to this section shall must be
 22 deposited in the unemployment insurance administration
 23 account but, until expended, shall must remain a part of the
 24 unemployment insurance fund.

25 (3) The department shall maintain a separate record of



1 the deposit, obligation, expenditure, and return of funds so
2 deposited. If any money so deposited is for-any--reason not
3 to be expended for the purpose for which it was appropriated
4 or if it remains unexpended at the end of the period
5 specified by the law appropriating such the money, it shall
6 must be withdrawn and returned to the secretary of the
7 treasury of the United States for credit to this state's
8 account in the unemployment trust fund.

9 (4) Beginning with the third quarter of 1983, an
10 assessment equal to ~~1%~~ 0.1% of all taxable wages provided
11 for in 39-51-1108 and ~~0.05%~~ 0.05% of total wages paid by
12 employers not covered by an experience rating must be levied
13 against and paid by all employers and ~~may~~ must be used by
14 the department for ~~administrative-purposes~~ the payment of
15 expenses of administration of public employment offices. All
16 such assessments must be deposited in the unemployment
17 insurance administration account provided for in 39-51-406
18 and used as appropriated by the legislature. Any assessments
19 deposited to the unemployment insurance administration
20 account, including investment income, that are not
21 appropriated by the legislature must be transferred to the
22 unemployment trust fund account provided for in 39-51-402."

-End-

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0124, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

A bill to permit use of revenues deposited to the unemployment insurance administration account for expenses of administering public employment offices only, restricting use of these revenues for general administrative purposes of the Department of Labor and Industry.

ASSUMPTIONS:

1. Appropriations from the UI administrative account could be made for all activities conducted by public employment offices of the Job Service Division.
2. Appropriations from the UI administrative account for activities other than those conducted by public employment offices of the Job Service Division would be replaced with general fund.
3. Fiscal impact is estimated relative to the executive recommended current level, budget modifications, and proposed pay plan, respectively.
4. The fiscal impact relative to the executive proposed pay plan assumes the personal services base for which UI administrative revenues were used for pay plan amounts under HB0786 enacted by the 51st Legislature.

FISCAL IMPACT:

FUNDING	FY92			FY93		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
Current Level						
UI Administrative Account	2,099,288	749,885	(1,349,403)	2,093,564	746,499	(1,347,065)
General Fund	0	1,349,403	1,349,403	0	1,347,065	1,347,065
Budget Modifications						
UI Administrative Account	360,000	360,000	0	360,000	360,000	0
General Fund	0	0	0	0	0	0
Pay Plan						
UI Administrative Account	22,500	0	(22,500)	45,000	0	(45,000)
General Fund	0	22,500	22,500	0	45,000	45,000
TOTAL						
UI Administrative Account(03)	2,481,788	1,109,885	(1,371,903)	2,498,564	1,106,499	(1,392,065)
General Fund	0	1,371,903	1,371,903	0	1,392,065	1,392,065


 ROD SUNDSTED, BUDGET DIRECTOR DATE 1-14-91
 Office of Budget and Program Planning


 BOB GILBERT, PRIMARY SPONSOR DATE 1/16/91

Fiscal Note for HB0124, as introduced.

HB 124

APPROVED BY COMMITTEE
ON LABOR & EMPLOYMENT
RELATIONS

HOUSE BILL NO. 124

INTRODUCED BY GILBERT

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE DEPARTMENT OF LABOR AND INDUSTRY TO USE-THE-ASSESSMENT-ON-TAXABLE-WAGES-PAID-BY-EMPLOYERS--AND--DEPOSITED MAINTAIN A BALANCE OF FUNDS IN THE UNEMPLOYMENT INSURANCE ADMINISTRATION ACCOUNT SUFFICIENT TO PAY THE EXPENSES OF ADMINISTERING PUBLIC EMPLOYMENT OFFICES AT THE FUNDING LEVEL ESTABLISHED FOR THE 1990-91 FISCAL YEAR; AND AMENDING SECTION 39-51-404, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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

Section 1. Section 39-51-404, MCA, is amended to read:

"39-51-404. Administrative expenses. (1) Money credited to the account of this state in the unemployment trust fund by the secretary of the treasury of the United States pursuant to section 903 of the Social Security Act, as amended, may be requisitioned and used for the payment of expenses incurred for the administration of this chapter pursuant to a specific appropriation by the legislature, provided that the expenses are incurred and the money is requisitioned after the enactment of an appropriation law which that:

(a) specifies the purposes for which such the money is appropriated and the amounts appropriated therefor;

(b) limits the period within which such the money may be expended to a period ending not more than 2 years after the date of the enactment of the appropriation law; and

(c) limits the amount which that may be used during any 12-month period beginning on July 1 and ending on the next June 30 to an amount which that does not exceed the amount by which the aggregate of the amounts credited to the account of this state pursuant to section 903 of the Social Security Act, as amended, during the same 12-month period and the 34 preceding 12-month periods exceeds the aggregate of the amounts used pursuant to this section and charged against the amounts credited to the account of this state during any of such the 35 12-month periods.

(2) For the purposes of this section, amounts used during any such 12-month period ~~shall~~ must be charged against equivalent amounts which that were first credited and which that are not already ~~so~~ charged, except that no amount used for administration during any such 12-month period may be charged against any amount credited during such a 12-month period earlier than the 34th preceding such the period. Money requisitioned for the payment of expenses of administration pursuant to this section ~~shall~~ must be deposited in the unemployment insurance administration



1 account but, until expended, ~~shall~~ must remain a part of the
 2 unemployment insurance fund.

3 (3) The department shall maintain a separate record of
 4 the deposit, obligation, expenditure, and return of funds so
 5 deposited. If any money so deposited is ~~for-any-reason~~ not
 6 to be expended for the purpose for which it was appropriated
 7 or if it remains unexpended at the end of the period
 8 specified by the law appropriating ~~such~~ the money, it ~~shall~~
 9 must be withdrawn and returned to the secretary of the
 10 treasury of the United States for credit to this state's
 11 account in the unemployment trust fund.

12 (4) Beginning with the third quarter of 1983, an
 13 assessment equal to ~~at~~ 0.1% of all taxable wages provided
 14 for in 39-51-1108 and ~~at~~ 0.05% of total wages paid by
 15 employers not covered by an experience rating must be levied
 16 against and paid by all employers and ~~may~~ must be used by
 17 the department for ~~administrative purposes the payment of~~
 18 ~~expenses of administration of public employment offices; At~~
 19 ADMINISTRATIVE PURPOSES. EXCEPT AS PROVIDED IN (5), ALL such
 20 assessments must be deposited in the unemployment insurance
 21 administration account provided for in 39-51-406 and used as
 22 appropriated by the legislature. ANY EXCEPT AS PROVIDED IN
 23 (5), ANY assessments deposited to the unemployment insurance
 24 administration account, including investment income, that
 25 are not appropriated by the legislature must be transferred

1 to the unemployment trust fund account provided for in
 2 39-51-402.

3 (5) BASED ON ITS ESTIMATION OF FEDERAL FUNDING FOR EACH
 4 BIENNIUM, THE DEPARTMENT SHALL MAINTAIN A BALANCE OF FUNDS
 5 IN THE ASSESSMENT ACCOUNT SUFFICIENT TO GUARANTEE THE LEVEL
 6 OF FUNDING ESTABLISHED FOR THE 1990-91 FISCAL YEAR TO
 7 MAINTAIN SERVICES AT PUBLIC EMPLOYMENT OFFICES."

8 NEW SECTION. SECTION 2. EFFECTIVE DATE -- RETROACTIVE
 9 APPLICABILITY. [THIS ACT] IS EFFECTIVE ON PASSAGE AND
 10 APPROVAL AND APPLIES RETROACTIVELY, WITHIN THE MEANING OF
 11 1-2-109, TO JUNE 30, 1988.

-End-