

SENATE BILL NO. 343

INTRODUCED BY RYE  
BY REQUEST OF THE DEPARTMENT OF  
LABOR AND INDUSTRY

IN THE SENATE

FEBRUARY 9, 1991                    ON MOTION, RULES SUSPENDED TO ALLOW  
   INTRODUCTION OF BILL.

   INTRODUCED AND REFERRED TO COMMITTEE  
   ON LABOR & EMPLOYMENT RELATIONS.

   FIRST READING.

FEBRUARY 20, 1991                    COMMITTEE RECOMMEND BILL  
   DO PASS. REPORT ADOPTED.

FEBRUARY 21, 1991                    PRINTING REPORT.

   SECOND READING, DO PASS.

FEBRUARY 22, 1991                    ENGROSSING REPORT.

   THIRD READING, PASSED.  
   AYES, 49; NOES, 0.

   TRANSMITTED TO HOUSE.

IN THE HOUSE

MARCH 4, 1991                        INTRODUCED AND REFERRED TO COMMITTEE  
   ON LABOR & EMPLOYMENT RELATIONS.

   FIRST READING.

MARCH 12, 1991                        COMMITTEE RECOMMEND BILL BE  
   CONCURRED IN. REPORT ADOPTED.

MARCH 16, 1991                        SECOND READING, CONCURRED IN AS  
   AMENDED.

MARCH 18, 1991                        THIRD READING, CONCURRED IN.  
   AYES, 88; NOES, 10.

   RETURNED TO SENATE WITH AMENDMENTS.

IN THE SENATE

MARCH 23, 1991                        SECOND READING, AMENDMENTS NOT

CONCURRED IN.

MARCH 28, 1991

ON MOTION, CONFERENCE COMMITTEE  
REQUESTED AND APPOINTED.

IN THE HOUSE

APRIL 3, 1991

ON MOTION, CONFERENCE COMMITTEE  
REQUESTED AND APPOINTED.

APRIL 10, 1991

CONFERENCE COMMITTEE REPORTED.

IN THE SENATE

APRIL 11, 1991

CONFERENCE COMMITTEE REPORTED.

IN THE HOUSE

APRIL 12, 1991

SECOND READING, CONFERENCE COMMITTEE  
REPORT ADOPTED.

APRIL 13, 1991

THIRD READING, CONFERENCE COMMITTEE  
REPORT ADOPTED.

IN THE SENATE

APRIL 17, 1991

SECOND READING, CONFERENCE COMMITTEE  
REPORT ADOPTED.

APRIL 18, 1991

THIRD READING, CONFERENCE COMMITTEE  
REPORT ADOPTED.

APRIL 19, 1991

RECEIVED FROM HOUSE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *SENATE* BILL NO. 343  
 2 INTRODUCED BY *[Signature]*  
 3 BY REQUEST OF THE DEPARTMENT OF  
 4 LABOR AND INDUSTRY

5  
 6 A BILL FOR AN ACT ENTITLED: "AN ACT TO GRANT THE DEPARTMENT  
 7 OF LABOR AND INDUSTRY DISCRETIONARY AUTHORITY IN DETERMINING  
 8 THE AMOUNT OWED THE UNINSURED EMPLOYERS' FUND BY AN  
 9 UNINSURED EMPLOYER; AND AMENDING SECTION 39-71-504, MCA."

10  
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 **Section 1.** Section 39-71-504, MCA, is amended to read:

13 **\*39-71-504. Funding of fund -- option for agreement**  
 14 **between department and injured employee. The fund shall--be**  
 15 **is funded in the following manner:**

16 (1) The department shall may require that the uninsured  
 17 employer pay to the fund a penalty of either up to double  
 18 the premium amount the employer would have paid on the  
 19 payroll of the employer's workers in this state if the  
 20 employer had been enrolled with compensation plan No. 3 or  
 21 \$200,--~~whichever--is--greater~~. In determining the premium  
 22 amount for the calculation of the penalty under this  
 23 subsection, the department shall make an assessment on how  
 24 much premium would have been paid on the employer's past  
 25 3-year payroll for periods within the 3 years when the

1 employer was uninsured. An assessment for payroll paid by  
 2 the uninsured employer for any time prior to July 1, 1977,  
 3 may not be made.

4 (2) (a) The fund shall receive from an uninsured  
 5 employer an amount equal to all benefits paid or to be paid  
 6 from the fund to an injured employee of the uninsured  
 7 employer. However, the uninsured employer's liability under  
 8 this subsection (2)(a) may not exceed \$50,000.

9 (b) The dollar limitation does not apply to an  
 10 uninsured employer's liability to an injured employee or the  
 11 employee's beneficiaries under 39-71-509 or 39-71-515.

12 (3) The department may determine that the \$1,000  
 13 assessments that are charged against an insurer in each case  
 14 of an industrial death under 39-71-902(1) shall be paid to  
 15 the uninsured employers' fund rather than the subsequent  
 16 injury fund.

17 (4) The department may enter into an agreement with the  
 18 injured employee or the employee's beneficiaries to assign  
 19 to the employee or the beneficiaries all or part of the  
 20 funds received by the department from the uninsured employer  
 21 pursuant to subsection (2)(a)."

-End-



APPROVED BY COMMITTEE  
ON LABOR & EMPLOYMENT  
RELATIONS

*Senate* BILL NO. 343  
*[Signature]*

INTRODUCED BY

BY REQUEST OF THE DEPARTMENT OF

LABOR AND INDUSTRY

A BILL FOR AN ACT ENTITLED: "AN ACT TO GRANT THE DEPARTMENT OF LABOR AND INDUSTRY DISCRETIONARY AUTHORITY IN DETERMINING THE AMOUNT OWED THE UNINSURED EMPLOYERS' FUND BY AN UNINSURED EMPLOYER; AND AMENDING SECTION 39-71-504, MCA."

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

**Section 1.** Section 39-71-504, MCA, is amended to read:

"39-71-504. Funding of fund -- option for agreement between department and injured employee. The fund shall--be is funded in the following manner:

(1) The department shall may require that the uninsured employer pay to the fund a penalty of either up to double the premium amount the employer would have paid on the payroll of the employer's workers in this state if the employer had been enrolled with compensation plan No. 3 or \$200,--~~whichever--is--greater~~. In determining the premium amount for the calculation of the penalty under this subsection, the department shall make an assessment on how much premium would have been paid on the employer's past 3-year payroll for periods within the 3 years when the

employer was uninsured. An assessment for payroll paid by the uninsured employer for any time prior to July 1, 1977, may not be made.

(2) (a) The fund shall receive from an uninsured employer an amount equal to all benefits paid or to be paid from the fund to an injured employee of the uninsured employer. However, the uninsured employer's liability under this subsection (2)(a) may not exceed \$50,000.

(b) The dollar limitation does not apply to an uninsured employer's liability to an injured employee or the employee's beneficiaries under 39-71-509 or 39-71-515.

(3) The department may determine that the \$1,000 assessments that are charged against an insurer in each case of an industrial death under 39-71-902(1) shall be paid to the uninsured employers' fund rather than the subsequent injury fund.

(4) The department may enter into an agreement with the injured employee or the employee's beneficiaries to assign to the employee or the beneficiaries all or part of the funds received by the department from the uninsured employer pursuant to subsection (2)(a)."

-End-



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 17 employer pay to the fund a penalty of either up to double  
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 19 payroll of the employer's workers in this state if the  
 20 employer had been enrolled with compensation plan No. 3 or  
 21 \$2007--~~whichever--is--greater~~. In determining the premium  
 22 amount for the calculation of the penalty under this  
 23 subsection, the department shall make an assessment on how  
 24 much premium would have been paid on the employer's past  
 25 3-year payroll for periods within the 3 years when the

1 employer was uninsured. An assessment for payroll paid by  
 2 the uninsured employer for any time prior to July 1, 1977,  
 3 may not be made.

4 (2) (a) The fund shall receive from an uninsured  
 5 employer an amount equal to all benefits paid or to be paid  
 6 from the fund to an injured employee of the uninsured  
 7 employer. However, the uninsured employer's liability under  
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 10 uninsured employer's liability to an injured employee or the  
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 13 assessments that are charged against an insurer in each case  
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 18 injured employee or the employee's beneficiaries to assign  
 19 to the employee or the beneficiaries all or part of the  
 20 funds received by the department from the uninsured employer  
 21 pursuant to subsection (2)(a)."

-End-



-2- THIRD READING  
 SB 343

HOUSE COMMITTEE OF THE WHOLE AMENDMENT  
Senate Bill 343  
Representative Whalen

March 16, 1991 8:39 am  
Page 1 of 1

Mr. Chairman: I move to amend Senate Bill 343 (third reading copy -- blue).

Signed:   
Representative Whalen

And, that such amendments to Senate Bill 343 read as follows:

1. Page 1, line 16.  
Following: "~~shall~~"  
Strike: "may"  
Insert: "shall"

2. Page 1, line 17.  
Following: "~~either~~"  
Strike: "up to"  
Insert: "either"

3. Page 1, line 21.  
Following: "~~greater~~"  
Insert: "or \$200, whichever is greater. If the department finds that there has been an unintentional violation of the requirement to carry workers' compensation insurance the penalty may be waived"

ADOPT

REJECT

HOUSE

SB 343

570838CW.Hpd

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 3 BY REQUEST OF THE DEPARTMENT OF  
 4 LABOR AND INDUSTRY  
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 17 uninsured employer pay to the fund a penalty of either up-to  
 18 EITHER double the premium amount the employer would have  
 19 paid on the payroll of the employer's workers in this state  
 20 if the employer had been enrolled with compensation plan No.  
 21 ~~3 or \$200,--whichever--is--greater~~ OR \$200, WHICHEVER IS  
 22 GREATER. IF THE DEPARTMENT FINDS THAT THERE HAS BEEN AN  
 23 UNINTENTIONAL VIOLATION OF THE REQUIREMENT TO CARRY WORKERS'  
 24 COMPENSATION INSURANCE, THE PENALTY MAY BE WAIVED. In  
 25 determining the premium amount for the calculation of the

1 penalty under this subsection, the department shall make an  
 2 assessment on how much premium would have been paid on the  
 3 employer's past 3-year payroll for periods within the 3  
 4 years when the employer was uninsured. An assessment for  
 5 payroll paid by the uninsured employer for any time prior to  
 6 July 1, 1977, may not be made.

7 (2) (a) The fund shall receive from an uninsured  
 8 employer an amount equal to all benefits paid or to be paid  
 9 from the fund to an injured employee of the uninsured  
 10 employer. However, the uninsured employer's liability under  
 11 this subsection (2)(a) may not exceed \$50,000.

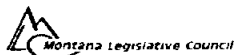
12 (b) The dollar limitation does not apply to an  
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 23 funds received by the department from the uninsured employer  
 24 pursuant to subsection (2)(a)."

-End-

-2-



Conference Committee  
on Senate Bill No. 343  
Report No. 1, April 10, 1991

Page 1 of 1

Mr. President and Mr. Speaker:

We, your Conference Committee on Senate Bill No. 343, met and considered the House Committee of the Whole amendment dated March 16, 1991:

We recommend that Senate Bill No. 343 (reference copy - salmon) be amended as follows:

1. Page 1, line 16.

Strike: "SHALL"

Insert: "may"

2. Page 1, line 18.

Following: "EITHER"

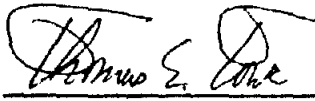
Insert: "up to"

3. Page 1, lines 22 through 24.

Strike: "IF" on line 22 through "WAIVED." on line 24.

And that this Conference Committee report be adopted.

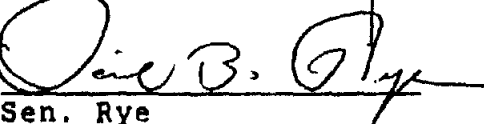
For the Senate:



Chair, Sen. Towe

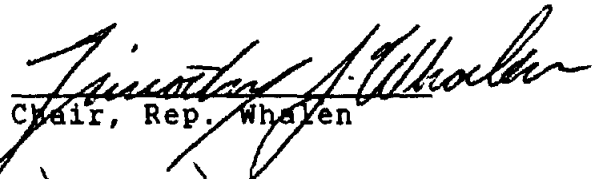


Sen. Doherty



Sen. Rye

For the House:



Chair, Rep. Whalen



Rep. H. S. Hanson



Rep. Cocchiarella

  
Amq. Coord.

  
Sec. of Senate

ADOPT

REJECT

SB 343  
761347CC.Sj1



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-End-

-2-

