

MINUTES OF THE MEETING  
FINANCE AND CLAIMS  
MONTANA STATE SENATE

March 7, 1977

The ninth meeting of the Senate Finance and Claims Committee met on the above date in room 331 of the State Capitol. The roll call was taken and the meeting was called to order by Senator Thiessen, Chairman at 3:35 P.M.

Senator Boylan explained he had sponsored Senate Bill 239 at the request of the Department of Agriculture.

Mr. Gary Gingery, Department of Agriculture said this was a bill to try to get a long range perspective plan on the forest service, fish and game, railroads, etc. so that a coordinated and continuing program to eliminate noxious weeds could be carried out. He said Carlson Foley funds. Statement attached.

Question by Senator Etchart as to whether these funds were ongoing funds or would we have you back about every 2 years for more funding? Ans. They would have to go back about every 2 years to Congress to ask for a re-appropriation.

Question: How many employees in the State Dept. of Agriculture. The answer was about 53, and they would need another full time FTE to carry out the program. When asked to rate this program on a priority list, he felt this would be high, that they might be able to fund up to 30% of it with the present staff but the other 70% would have to go without it, they needed someone to coordinate with the Federal Program. Some members questioned this since they had a federal coordinator in Mansfield's office and also Keith Kelly in the Governor's office.

A question was asked about the biological wheat control program and whether this was the same thing. The answer was no.

Senate Bill 247 was explained by Senator Dover. He said there was something that should be in it and was not. When they revised the bill the fee would go through the complete time of the hearing. He did not feel the fiscal note could possibly be right.

Mr. Gene Phillips, Pacific Power and Light Company said he would support it and would like to know when it would be possible to get their money back.

Tom Winsor, representing the Chamber of Commerce, said they supported Senate Bill 247 as amended. He said they firmly believe there should be a stopping point and it should be as soon as possible.

Mr. Ted Doney, Chief Legal Council for the Department of Natural Resources said the bill was better with the amendments but they were still concerned. The cost of mandating many decisions and the cost of many law suits was of concern to them. He said if the fee is going to pay for the hearings that is his main concern. Senator Thiessen read a statement from the fiscal analyst on the bill.

Senate Bill 385 was explained by Senator Thomas. He said there was a new fiscal note on this bill and handed it out. He said there are around 500 in the prison. He said he did not think there would be a great deal of cost in this bill since there was a provision in it on dangerous offenders, and this would determine the review procedure. He said he would recommend that the amendment be put back in if the committee decided to pass the bill.

Senator Dunkle explained Senate Bill 324. He said it was brought into this committee to consider the fiscal note. He said he felt it could also be arranged with Senate bill 247 by Dover, and House Bill 661, as well as some points some of them were interested in. He recommended amending page 7 to be identical with House Bill 661, and read the proposed amendments, attached, as well as the others he proposed, and would like fertilizer plants exempt.

Ted Doney said he would support the amendments as proposed. He said he felt the fertilizer plants should be included since though they weren't under the same utility price controls that are on the other things.

Senator Himsel said he felt there was a contradiction in the two bills. One put a time on fees, the other opened it up. Mr. Shannahan agreed that this was a concession. Other questions were asked such as why did they maintain that the fertilizer plant should come under the utility siting act, and Ted answered that the basic reason is that the act covers things no other act does, questions around pollution of air, water, water withdrawals, etc. and the people should have some say that the over all impact of the over all operations of the act. Q. what about the impact in regard to schools, would it take it out so there was no need for a study, and they answered, no.

Senator Fasbender gave a report on Senate Bill 71 which had been in sub-committee, as follows:

Governor	changed to 41,000
Leutenant Gov	be left at 30,000
Chief Justice	lowered to 39,500
Associate Justice	38,500
Attorney General	39,500
State Auditor	25,000
OSPI	30,000
PSC	25,000
Secretary of State	25,000
Clerk of Court	20,000
District Court Judges	35,000

He said he would like to have the Elected Officials Sub-committee take an estimate to determine what the cost of the groceries for the immediate family of the Governor is and have that amount deducted from the budget. He felt they should also take a close look at the duties previously assumed by the former Lieutenant Governor and possible put back under the Lieutenant Governor rather than to create another department.

Senator Fasbender moved acceptance of the sub-committee report, second by Senator Regan. Discussion was held about the people working under the elected officials and receiving more salary than the elected officials.

A motion was made, seconded and passed to change the Attorney General's salary to 37,500, accepted by the sub-committee.

Motion by Senator Fasbender that Senate Bill 71 do pass as amended. Voted and passed.

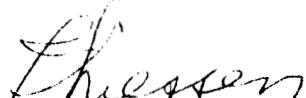
Senate Bill 239 was discussed. Senator Smith said he felt it was time we got a handle on this and were able to get some positive action toward weed control. Senator Boylan said in the Agriculture Committee the members all agreed that this was a real problem. Senator Regan said she thought they would not need the extra FTE, and would like to amend the bill to say the federal funds should be used to administer as well as to monitor and audit, and to state all costs should be born by these funds. Senator Stephens moved SB 239 do pass, second by Senator Smith, withdrawn for an amendment, by Senator Regan, with a motion to amend the amendment by removing the last part that all costs should be born by these funds since it might include services already being handled, and therefore actually cut services to the people. Discussion was held on having the fiscal analyst prepare an amendment and a letter of legislative intent and to have them ready for the next meeting.

Senator Fasbender moved to pass consideration until they could get a lawyer to look into it from the Legislative Council.

Senate Bill 385. Motion by Senator Roberts to place the amendments back in the bill, second by Senator Boylan;

Motion by Senator Roberts, second by Senator Boylan that Senate Bill 385 do pass as amended. Voted and passed, Senator Regan abstained.

The meeting adjourned.

  
SENATOR THIESSEN, Chairman

3.30 PM

ROLL CALL

FINANCE AND CLAIMS COMMITTEE

45th LEGISLATIVE SESSION 1977

Date 3/7/77

NAME	PRESENT	ABSENT	EXCUSED
THIESSEN, CH	✓		
HIMSL, V.C.	✓		
STORY	✓		
ETCHART	✓		
KOLSTAD	✓		
LOCKREM	✓		
NELSON	✓		
SMITH	✓		
STEPHENS	✓		
FASBENDER	✓		
BOYLAN	✓		
FLYNN		absent	
MEHRENS	✓		
REGAN	✓		
ROBERTS	✓		
THOMAS	✓		

## TESTIMONY

### SENATE BILL NO. 239

The Montana Department of Agriculture endorses Senate Bill No. 239. This bill primarily provides that the Department will assist agricultural producers and county noxious weed personnel in managing and delineating noxious weeds that significantly affect agricultural production, both crop and range, in the state. This bill is a result of the activities and recommendations of the Department's Governor's Noxious Weed Management Advisory Council created by Governor Judge at the request of the Agricultural Ad Hoc Committee and the Department of Agriculture.

Management of noxious weeds involves a determination of the size and type of infestations and development of plans to control or suppress these infestations in cooperation with producers, local, state, and federal agencies and other groups, such as railroads. These management plans must be prepared on a practical, economical and environmentally acceptable basis. The plans must reflect county management priorities during a period of time three years or greater, because it is virtually impossible to effect permanent controls in a shorter period of time. Currently, noxious weed infestations are not only increasing in size but are appearing in new locations throughout the state. The Department in performing these functions will attempt to assist local groups in determining those areas in the state in which current chemical management techniques should not be used because of critical wildlife habitat, environmentally fragile areas, and situations in which the cost of the program in a particular area is economically unjustified. The Department will also attempt to resolve the current problem of protecting commercial bee operations while attempting to resolve the noxious weed problem in and around agricultural crops and rangeland.

The most important part of this bill addresses weed management on federal lands especially where such weed infestations directly affect range or crop lands. Some of the problems currently experienced by producers, county weed districts, and federal agencies on lands in their jurisdictions are lack of communication and planning and funding and low priorities given to noxious weed management by some local and federal government agencies. Public law 90-583, 43 U.S.C. 1242 allows heads of federal departments or agencies to permit the state departments of agriculture or their authorized representatives to enter federal lands and effect programs to control noxious plants.

The three criteria of this program are:

- (1) the entry is in accordance with the program submitted and approved by the federal agency unless inconsistent with national security;
- (2) the control techniques are acceptable to the particular federal agency; and
- (3) the same procedures used on federal lands are used on the surrounding private lands.

Expenses incurred by the state or its authorized agents are reimbursed by the federal agency provided such funds are appropriate and authorized.

It is envisioned that this program will be operated in the following manner:

- (1) the Department in cooperation with weed districts and citizens will meet with the state directors of federal agencies to develop the overall details of possible programs for federal lands;
- (2) these groups will then meet with the local administrators of federal lands to specifically determine the noxious plant problem in federal lands, the techniques and operation to be used to control infestations and the cost of a program;

- (3) management plans will be prepared, meetings will be held with the respective state directors of federal lands and other interested parties to develop priorities within the overall plan;
- (4) Department personnel will meet with the representatives of department or agency heads in Washington, D.C. to request funds for these projects. The officers of the state's congressional delegation, federal state coordinator, and other parties will be requested to assist in obtaining these funds;
- (5) monies received will be provided to county weed districts to implement the various programs proposed. I would like to note that Wyoming and Oregon have successfully implemented this program in their states.

Obviously, a program of noxious plant management on federal lands must be developed on a long-term basis. It is anticipated that \$150,000 to \$250,000 may be obtained each fiscal year. This program would not prevent the adoption of small control programs between weed districts and local federal authorities. The responsibility for this phase of program is set forth in Section 2 of the bill.

The specific legal functions of the department are adequately set forth in this Section. The Department would not utilize any of the federal funds to employ personnel or pay for operations; however, the bill would allow the department to utilize up to 3% of the funds for administrative costs--primarily accounting expenditures.

Section 1 of this bill sets forth this Department's assistance and service to districts, agricultural producers, and citizens. The subsections 1 through 8 of this section set forth the Department's activities as recommended by the Advisory Council.

Section 3 of the bill states the Department may prepare reports on the status of noxious plants and their management in the state. These reports will primarily be prepared to determine the success, failures, and economic costs of weed management programs so state and local elected officials can periodically determine the need and necessity for continuing the Department's and local weed district programs.

Section 4 allows the Department to adopt rules and/or policies on implementing Section 2 of the bill. These functions will primarily set forth the Department's standards for implementing and maintaining management programs on federal lands by weed districts and will insure that the federal funds are properly expended and accounted for.

I would also like to state to this committee that the Department now and in the future does not anticipate the initiation of a state agency operated weed control program. It is our belief that operational weed programs are properly local functions; however, there is a statewide need for technical services and assistance to weed districts and producers which can be provided by the Department in cooperation with other departments and interested groups.

The Department recommends this committee give SB 239 a do pass.

# STANDING COMMITTEE REPORT

March 7

19 77

MR. PRESIDENT

We, your committee on FINANCE AND CLAIMS

having had under consideration SENATE Bill No. 71

Respectfully report as follows: That SENATE Bill No. 71, on the second reading, as follows:

1. Amend page 3, section 2, line 14.

Following: "42,500"

Strike: "35,00"

Insert: "41,000"

2. Amend page 3, section 2, line 16.

Following: "42,000"

Strike: "40,000"

Insert: "39,500"

3. Amend page 3, section 2, line 18

Following: "41,500"

Strike: "39,000"

Insert: "39,500"

4. Amend page 3, section 2, line 19

Following: "40,000"

Strike: "32,500"

DO PASS

Insert: "37,500"

4. Amend page 4, section 2, line 1.

Following: "25,000"

Strike: "19,500"

Insert: "20,000"

AND AS SO AMENDED, DO PASS

*GW*  
SENATOR THIESSEN, Chairman

SENATE COMMITTEE

FINANCE AND CLAIMSDate 3-7SenBill No. 71Time 4:38

NAME

YES

NO

Himsl, V.C.

✓

Story

✓

Echard

✓

Kolstad

✓

Lockrem

ab

Nelson

✓

Smith

✓

Stephens

✓

Fasbender

✓

Boylan

✓

Flynn

ab

Mehrens

✓

Regan

✓

Roberts

✓

Thomas

✓

Thiessen, Chairman

✓

Secretary

Chairman

Motion: Amend

SENATE COMMITTEE

## FINANCE AND CLAIMS

Date 3-7Bill No. 2Time 4:42

NAME

YES

NO

Himsel, V.C.

✓

✓

Story

Etchart

Kolstad

Lockrem

Nelson

Smith

Stephens

Fasbender

Boylan

Flynn

Mehrens

Regan

Roberts

Thomas

Thieszen, Chairman

ab

✓

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✓

Secretary

Chairman

Motion:

267 ad

# STANDING COMMITTEE REPORT

March 7

19 77

MR. .... PRESIDENT .....

We, your committee on ..... **FINANCE AND CLAIMS** .....

having had under consideration ..... **SENATE** ..... Bill No. **385** .....

Respectfully report as follows: That ..... **SENATE** ..... Bill No. **335** ....  
second reading, be amended as follows:

1. Amend page 1, section 1, line 23.

Following: "imposed;"

Strike: "and"

Insert: "or"

2. Amend page 6, section 4, line 4.

Following: line 4

Insert: "Section 5. Application of act. This act applies to any offender sentenced after July 1, 1977. (Section 2 of this act) applies to any prisoner who, after July 1, 1977, commits an offense while he is imprisoned in the state prison or while he is released on parole or under the prisoner furlough program."

Renumber: subsequent section

XXXXXX  
DO PASS

AND AS SO AMENDED, DO PASS

JK

STATE OF MONTANA

REQUEST NO. 594-77

FISCAL NOTE

(Revised)

Form BD-15

In compliance with a written request received February 22, 19 77, there is hereby submitted a Fiscal Note for Senate Bill 385 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

THIS FISCAL NOTE REVISES THE ORIGINAL FISCAL NOTE ON SENATE BILL 385.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to revise the law regarding eligibility for parole and the merger of sentences when a second crime is committed while in prison or on parole or furlough.

FISCAL IMPACT:

Within the time limit given, there cannot be accurate data compiled. Time would be needed to assess the number of people who committed crimes while in prison or on parole and calculate the length of the original sentence, plus the additional sentence for the new crime.

41% of the current population (207 people) are in the prison as the result of committing a violent crime. If they were not eligible for parole until serving one-half of their sentence, then the prison population would increase due to the length of stay for these 41% being increased. The per diem cost at the prison is currently \$26.87 per day. Also, additional rehabilitation programs on work programs would have to be implemented at the prison to serve this increase in population.

NOTE:

The fixed cost of operating the prison is the major portion of the total per diem cost. Small variations in the population could be absorbed without increases in facilities or personnel.

*Richard L. Drayton*

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-24-77

# COMMITTEE OF THE WHOLE AMENDMENT

MR. CHAIRMAN: I MOVE TO AMEND Senate Bill No. 247, second reading, as follows:

1. Amend title, line 13.

Following: "CERTIFICATE"

Insert: "AND TO CARRY OUT THE RESPONSIBILITIES OF THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION UNTIL THE CONCLUSION OF THE HEARING BY THE BOARD OF NATURAL RESOURCES"

2. Amend page 3, section 1, line 22.

Following: "certificate"

Insert: "and for carrying out its other responsibilities under this chapter with respect to the facility covered by the certificate until the conclusion of the hearing by the board of natural resources"

*Passed 1. J. McMurtry*

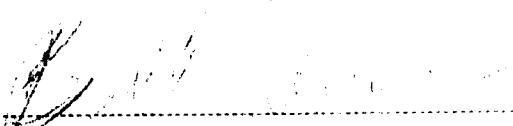
*Frank J. Parker*

# COMMITTEE OF THE WHOLE AMENDMENT

Senate Bill 385  
Feb. 17, 1977

MR. CHAIRMAN: I MOVE TO AMEND Senate Bill 385, introduced copy, as follows:

- .. Amend page 1, section 1, line 23.  
Following: "imposed;"  
Strike: "and"  
Insert: "or"



Bill Thomas, Senator

# COMMITTEE OF THE WHOLE AMENDMENT

MR. CHAIRMAN: I MOVE TO AMEND SENATE BILL NO. 385, ~~introduced bill~~, as follows:

1. Amend page 6, section 4, line 4.

Following: line 4

Insert: "Section 5. Application of act. This act applies to any offender sentenced after July 1, 1977. [Section 2 of this act] applies to any prisoner who, after July 1, 1977, commits an offense while he is imprisoned in the state prison or while he is released on parole or under the prisoner furlough program."

Renumber: subsequent section

Amend Senate Bill 324

1. Amend page 7, line 4 thruough 7.  
by restoring the language beginning after the "period"  
on line 4 and ending with the word "chapter" on line 8, and  
insert "Period"

Amendment SB 324 \* 2

Page 9 line 15 strike all language after "participate." through that language on page 10 ending with the word "Department." on line 7 and insert in lieu thereof; as follows:

"(1) Any person may be a party to any hearing under this chapter BY FOLLOWING THE PROCEDURE ESTABLISHED IN SUBSECTION (2).

(2) Any PERSON MAY BECOME A PARTY BY FILING WITHIN 60 days of the DEPARTMENT'S REPORT TO THE BOARD PURSUANT TO 70-807 (1), A WRITTEN DESIGNATION SETTING FORTH HIS NAME, ADDRESS, HOME AND BUSINESS PHONES, AND POSITION TOWARDS

P2 Amendment # 2 S13324

THE PROPOSED FACILITY AND BY PARTICIPATING ORALLY AT THE HEARING.

AMEND THE BILL ON PAGE 10 beginning at line 849 by striking the following:

"<sup>3</sup> (2) any party identified in subparagraphs (b) and (c) of subsection (1) of this section..."

and insert the words "A person..."

and again on page 10 line ~~8~~<sup>10</sup> after the word "not" by inserting the words:

"FILE THE WRITTEN DESIGNATION AND..."

and again of page 10 line 10 by striking the word "the" before "hearing".

and again on page 10 line 11 by striking the words "before the board."

# COMMITTEE OF THE WHOLE AMENDMENT

Senate Bill 385  
Feb. 17, 1977

MR. CHAIRMAN: I MOVE TO AMEND Senate Bill 385, introduced copy, as follows:

Second reading

1. Amend page 1, section 1, line 23.  
Following: "imposed;"  
Strike: "and"  
Insert: "or"

# COMMITTEE OF THE WHOLE AMENDMENT

MR. CHAIRMAN: I MOVE TO AMEND SENATE BILL NO. 385, introduced bill, as follows:

Second reading

1. Amend page 6, section 4, line 4.  
Following: line 4  
Insert: "Section 5. Application of act. This act applies to any offender sentenced after July 1, 1977. [Section 2 of this act] applies to any prisoner who, after July 1, 1977, commits an offense while he is imprisoned in the state prison or while he is released on parole or under the prisoner furlough program."  
Renumber: subsequent section

AMENDMENTS TO SENATE BILL 166

1. Amend page 2, Section 1, line 9.

Following: "Household"

Insert: "and domestic"

2. Amend page 3, Section 2, line 14..

Following: "92-212"

Insert: ", 92-213, and 92-214"

3. Amend page 9, Section 4, line 21.

Following: "be paid"

Insert: "from the fund"

4. Amend page 11, Section 5, line 4.

Following: line 4

Insert: "Section 5. There is a new R.C.M. section numbered 92-213 that reads as follows:

92-213. Election of uninsured employee to take under the fund or bring action against employer -- limitation on benefit entitlement under the fund. (1) An employee who suffers an injury arising out of and in the course of employment while working for an uninsured employer as defined in 92-212(1), or an employee's beneficiaries in injuries resulting in death, may elect to either receive benefits from the uninsured employers fund or pursue a damage action against the employer. However, once an election has been made to either take from the fund or pursue a damage action, the election is final and binding on the employee or the employee's beneficiaries, heirs, and personal representatives. An injured employee or the employee's beneficiaries may not receive both benefits from the fund and pursue a damage action. If an injured employee or the employee's beneficiaries elect to bring an action to recover damages for personal injuries sustained or for death resulting from personal injuries so sustained, it is not a defense for the employer that the:

(a) employee was negligent unless such negligence was willful;  
(b) injury was caused by the negligence of a fellow employee; or  
(c) employee had assumed the risks inherent in, incident to, or arising out of his employment or arising from the failure of the employer to provide and maintain a reasonably safe place to work or reasonably safe tools or appliances.

(2) Notwithstanding the provisions of 92-212 and 92-614, injured employees or an employee's beneficiaries who elect to receive benefits from the uninsured employers fund are not granted an entitlement by this state for full workers' compensation benefits from the fund. Benefits from the fund shall be paid in accordance with the sums in the fund. If the division determines at any time that the sums in the fund are not adequate to fully pay all claims, the division may make appropriate proportionate reductions in benefits to all claimants. The reductions do not entitle claimants to retroactive reimbursements in the future."

Renumber: all subsequent sections.

5. Amend page 11, Section 5, line 4.

Following: "section"

Insert: "numbered 92-214"

6. Amend page 11, Section 5, line 19.

Strike: "wilful"

Insert: "willful"

MEMORANDUM REGARDING FUNDING OF THE PROPOSED  
UNINSURED EMPLOYERS FUND  
(SENATE BILL NO. 166)

The proposed bill to create an uninsured employers fund would provide a system that would grant to employees workers' compensation benefits even though their employers had not properly been insured. A separate memorandum explains in detail the provisions of the bill. The following explanation is submitted regarding the proposed funding system to be used.

The fund would be funded through four sources. The first source would be through a penalty assessed against uninsured employers. This penalty would amount to double the amount the employer would have paid in premiums for the three preceding years while the employer had uninsured employees, or \$500, whichever is greater. This penalty system would replace the present criminal penalty which carries a fine of up to \$600 or imprisonment up to six months. Second, the fund would be reimbursed by uninsured employers for the amount paid out of the fund to an injured employee of an uninsured employer. Thus, if the uninsured employers fund had to pay \$2,000 to an injured employee for compensation and medical benefits, the fund would seek reimbursement for the \$2,000 from the uninsured employer. The bill proposes to put a maximum limitation on an uninsured employer's liability of \$30,000. Third, the fund would be granted \$1,000 assessments for each industrial death. Presently, there is a \$1,000 assessment for each death case in Montana involving an industrial injury. The assessment amount now goes to the subsequent injury fund. The subsequent injury fund law was passed in 1973 and assessments have been granted to this fund through the \$1,000 assessment system and also through an additional assessment that is charged against insurers under all three compensation plans. The subsequent injury fund establishes a system whereby individuals with severe handicaps can become eligible for employment, because the fund limits an employer's liability for workers' compensation payments should the worker be reinjured. As of December 31, 1976, the fund balance for the subsequent injury fund was about 1.3 million dollars. Based on its experience to date, the Division considers that the subsequent injury fund has now been built up to a point whereby adequate reserves can be established to pay current liabilities and liabilities incurred in the near future. Thus, the \$1,000 assessment could be transferred from the subsequent injury fund to the newly created uninsured employers fund without jeopardizing the solvency of the subsequent injury fund. There are approximately fifty industrial deaths per year in the State of Montana. Thus, if this unfortunate record continues, the fund would receive approximately \$50,000 per year through the \$1,000 death assessment system. In a one and one-half year period, the assessment would amount to approximately \$75,000.

Fourth, during a meeting with the Senate Laobr and Employment Relations Committee, it was suggested that the fund also receive a general fund appropriation of \$150,000. This would permit an earlier effective date for benefit payments, such as July 1, 1977, rather than January 1, 1979.

Under an insurance system, insurers must recognize potential liabilities and set aside dollar amounts in reserve accounts in order to provide for estimated liabilities. The Division believes that there should be an attempt to operate the uninsured employers fund on a sound financial basis by establishing proper reserves for liabilities as such liabilities occur. This will avoid the possibility of insolvency of the fund in future years.

However, it is difficult to establish an exact figure whereby the Legislature and the Division would be assured of a solvent operating fund. During the preceding calendar year, the Division found 208 uninsured employers in the state. These were found through medical reports that were submitted to the Division, as well as inquiries to the Division concerning certain employers. The Division estimates that approximately 190 injuries were reported to it involving uninsured employees.

Most industrial injuries concern relatively minor medical costs. Thus, the great percentage of the injured employees who were not properly covered by workers' compensation insurance incurred relatively minor medical expenses. Medical bills submitted to the Division wherein there was no workers' compensation coverage amounted to approximately \$8,600. It would have to be assumed that a number of the injured workers, whose initial medical bills were included in this figure, would have additional medical costs that were not reported to the Division. Also, the Division would not know how many of these uninsured employees incurred a wage loss that would result in weekly compensation benefits. It could be assumed, however, that a number of the injured workers would have received at least a small amount in compensation benefits.

The Division did find a few accidents that resulted in very severe injuries. One accident involved the loss of a leg by an employee who fell off a tractor while in a logging operation, and there is a case pending where a severe accident occurred and resulted in the death of one employee and the paralysis of a second employee after the employer's insurance had been cancelled for nonpayment of premium. There is some question as to Montana's jurisdiction regarding this particular employer, in that the employer lived on an Indian reservation. However, if it is determined that the employer was required to carry workers' compensation insurance even on the Indian reservation, the employer would be considered illegally uninsured. The Division also received notice of a severe arm injury, an injury involving a broken leg, and a severe injury to an eye.

The Division believes that a figure of \$150,000 could be used as a starting point to adequately fund the uninsured employers fund program. Such a figure would allow the uninsured employers fund to pay for a small number of severe accidents and a substantial number of small medical claims. The true test in determining whether the fund will remain adequate will be how successful the Division is in pursuing its reimbursement system against the uninsured employers to recover the liabilities paid out of the fund.

Hopefully, the information provided above will give the needed information to the Legislature for a review of the uninsured employers fund proposal. If anyone has further questions, please contact the Administrator of the Division of Workers' Compensation.

## SENATE COMMITTEE

## FINANCE AND CLAIMS

Date 3-7Bill No. 385

Time \_\_\_\_\_

NAME \_\_\_\_\_ YES \_\_\_\_\_

NO \_\_\_\_\_

Himsl, V.C.

Story

Etchart

Kolstad

Lockrem

Nelson

Smith

Stephens

Fasbender

Boylan

Flynn

Mehrens

Regan

Roberts

Thomas

Thiessen, Chairman

absent

absent

✓

Secretary

Chairman

Motion:

SB 3,85 ✓ 61690 ✓