

HOUSE BILL NO. 583

1/31 Introduced
1/31 Referred to Business & Labor
2/01 Fiscal Note Requested
2/08 Fiscal Note Received
2/14 Hearing
2/15 Adverse Committee Report
2/16 Objection to Adverse Committee Report
2/18 2nd Reading Do Not Pass
2/18 Bill Killed

1 HOUSE BILL NO. 583
2 INTRODUCED BY William Leitzinger

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO SET THE MAXIMUM
5 WEEKLY UNEMPLOYMENT BENEFIT AMOUNT AT THE CURRENT FEDERAL
6 MINIMUM WAGE OF \$3.35 AN HOUR MULTIPLIED BY 40 HOURS;
7 AMENDING SECTION 39-51-2201, MCA; AND PROVIDING AN EFFECTIVE
8 DATE."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
11 Section 1. Section 39-51-2201, MCA, is amended to
12 read:

13 "39-51-2201. Weekly benefit amount -- determination of
14 average weekly wage. (1) An eligible individual's weekly
15 benefit amount shall be the total base period wages divided
16 by the number of weeks of covered employment times 50%. The
17 weekly benefit amount, if not a multiple of \$1, must be
18 rounded to the nearest lower full dollar amount. However,
19 such amount shall not be less than the minimum or more than
20 the maximum weekly benefit amount.

21 (2) On or before May 31 of each year, the total wages
22 paid by all employers as reported on contribution reports
23 submitted on or before such date for the preceding calendar
24 year shall be divided by the average monthly number of
25 individuals employed during the same preceding calendar year

1 as reported on such contribution reports. The amount thus
2 obtained shall be divided by 52 and the average weekly wage,
3 rounded to the nearest cent, thus determined. Sixty-percent
4 of-the-average-weekly-wage-shall-constitute-the

5 ~~(3) The maximum weekly benefit amount is \$134 and~~
6 ~~shall-apply-to-all-maximum-weekly-benefit-amount-claims-for~~
7 ~~benefits-filed-to-establish-a-benefit-year-commencing-on--or~~
8 ~~after--July-1-of-the-same-year--Such-maximum-weekly-benefit~~
9 ~~amount,-if-not-a-multiple-of-\$1,-shall-be-computed--to--the~~
10 ~~nearest-lower-full-dollar-amount.~~

11 ~~(3)(4) The minimum weekly benefit amount shall be 15%~~
12 ~~of the average weekly wage or \$134, whichever is less. The~~
13 ~~minimum weekly benefit amount, if not a multiple of \$1,~~
14 ~~shall be computed to the nearest lower full dollar amount."~~

15 NEW SECTION. Section 2. Extension of authority. Any
16 existing authority of the department of labor and industry
17 to make rules on the subject of the provisions of this act
18 is extended to the provisions of this act.

19 NEW SECTION. Section 3. Effective date. This act is
20 effective July 1, 1985.

-End-



INTRODUCED BILL
HB 583

STATE OF MONTANA

REQUEST NO. FNN304-85

FISCAL NOTE

Form BD-15

In compliance with a written request received February 1, 19 85, there is hereby submitted a Fiscal Note for House Bill 583 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). 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.

DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 583 sets the maximum weekly unemployment benefit at the current federal minimum wage.

ASSUMPTIONS:

1. Under the proposed law, the maximum weekly benefit amount is expected to be reduced by \$49 in FY 1986 and \$61 in FY 1987.
2. It is estimated that 15,200 claimants will have their benefit amount reduced by an average of \$38 for an average of 13 weeks in FY 1986.
3. It is estimated that 15,900 claimants will have their benefit amount reduced by an average of \$46 for an average of 13 weeks in FY 1987.
4. Under current law, it is estimated that benefit expenditures will be \$67 M for FY 1986 and \$73 M for FY 1987.
5. State Government benefit charges are \$1.5 M in FY 1986 and \$1.7 M in FY 1987 after passage of HB15.
6. Local Government benefit charges are \$2.0 M in FY 1986 and \$2.2 M in FY 1987 after passage of HB15.
7. Reduction in benefits paid during FY 1986, 11% and FY 1987, 13%.

FISCAL IMPACT:

Expendable Trust

<u>Expenditures:</u>	<u>FY 1986</u>	<u>FY 1987</u>
Benefits		
Current Law	\$67,000,000	\$73,000,000
Benefits		
Proposed Law	<u>\$59,500,000</u>	<u>\$63,500,000</u>
Net Savings	\$ 7,500,000	\$ 9,500,000

David L. Hunter

BUDGET DIRECTOR
Office of Budget and Program Planning

Date: Feb 7, 1985

AFFECT ON COUNTY OR LOCAL REVENUE OR EXPENDITURES:

Would reduce benefit charges to Local Government accounts by an estimated \$500,000 during the biennium. This would have long range effect of reducing average tax rates for all Local Government entities.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Over the long run, this proposal would result in lower contributions by all employers, including state government. Due to the nature of how each employer's contribution is calculated, it is not possible to determine in what year savings would be realized.

LC 0569/01
COMM. ON
BUSINESS AND LABOR
RECOMMEND DO NOT PASS
OBJECTION RAISED TO
ADVERSE COMMITTEE REPORT

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