## HOUSE BILL NO. 32

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INTRODUCED BY WALLIN, BARDANOUVE, LYNCH BY REQUEST OF THE DEPARTMENT OF LABOR AND INDUSTRY

IN THE HOUSE

| June 19, 1986 | Introduced and referred to<br>Committee on Appropriations.                    |  |  |  |
|---------------|---|--|--|--|
| June 25, 1986 | Committee recommend bill do<br>pass as amended. Report<br>adopted.            |  |  |  |
|               | Bill printed and placed on members' desks.                                    |  |  |  |
| June 26, 1986 | Second reading, do pass.  |  |  |  |
|               | Third reading, passed.  |  |  |  |
| · ·           | Transmitted to Senate.  |  |  |  |
| IN THE SENATE |   |  |  |  |
| June 26, 1986 | Introduced and referred to<br>Committee on Labor and<br>Employment Relations. |  |  |  |
| June 27, 1986 | Committee recommend bill be<br>concurred in as amended.<br>Report adopted.    |  |  |  |
|               | Second reading, concurred in.   |  |  |  |
|               | Third reading, concurred in.<br>Ayes, 47; Noes, 0.                            |  |  |  |
|               | Returned to House with amendments.  |  |  |  |

## IN THE HOUSE

June 28, 1986

Received from Senate.

Second reading, amendments concurred in.

Third reading, amendments concurred in.

Sent to enrolling.

Reported correctly enrolled.

LC 0078/01

House BILL NO. 32 1 INTRODUCED BY Malla 2 3 BY REQUEST OF THE DEPARTMENT OF LABOR AND INDUSTRY 4 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT DURING 6 FISCAL YEARS 1987 THROUGH 1989 PENALTIES AND INTEREST ON 7 OVERDUE EMPLOYER CONTRIBUTIONS APPROPRIATED TO THE 8 DEPARTMENT OF LABOR AND INDUSTRY MUST BE USED TO ADMINISTER 9 THE UNEMPLOYMENT INSURANCE LAW AND FOR JOB TRAINING 10 PROGRAMS: AMENDING SECTION 39-51-1301, MCA: AND PROVIDING AN 11 IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE."

12

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

14 Section 1. Section 39-51-1301, MCA, is amended to 15 read:

16 "39-51-1301. Penalty and interest on past-due 17 contributions. (1) Contributions unpaid on the date on which 18 they are due and payable, as provided by subsections (1) and 19 (2) of 39-51-1103 and 39-51-1125, that are paid within 20 20 days after the due date shall be subject to a penalty 21 assessment of \$10 or 10% of the contribution due, whichever 22 is greater. If the contributions are not paid within 20 23 days after the due date, the employer shall be subject to a 24 penalty assessment of \$15 or 15% of the contributions due, 25 whichever is greater. All past-due contributions shall bear



interest at the rate of 18% a year, to be prorated on a 1 daily basis. 2

3 (2) A penalty of \$40 shall be assessed whenever, as 4 the result of a willful refusal of an employer to furnish wage information or pay contributions on time, the 5 department issues a subpoena to obtain wage information or 6 7 makes a summary or jeopardy assessment pursuant to 8 39-51-1302.

(3) Interest-and-penalties-collected-pursuant-to--this g 10 section--shall-be-paid-into-the-unemployment-insurance-trust fund- There is an account in the state special revenue fund. 11 Penalties and interest collected under this section must be 12 13 deposited in that account. Money deposited in that account and appropriated to the department must be used by the 14 15 department to administer this chapter and for programs to 16 train and retrain unemployed and underemployed persons. Money in the account not appropriated for these purposes 17 18 must be transferred by the department to the unemployment 19 insurance trust fund at the end of each fiscal year. 20 (4) When failure to pay contributions on time was not caused by willful intent of the employer, the department may 21 22 abate the penalty and interest. 23 (5) All money accruing to the unemployment insurance trust fund from interest and penalties collected on past-due 24 contributions must be used solely for the payment of 25 INTRODUCED BILL -2-HB32

## LC 0078/01

1 unemployment insurance benefits and may not be used for any 2 other purpose."

3 <u>NEW SECTION.</u> Section 2. Extension of authority. Any
4 existing authority of the department of labor and industry
5 to make rules on the subject of the provisions of this act
6 is extended to the provisions of this act.

NEW SECTION. Section 3. Effective date -- termination
date. This act is effective on passage and approval and
terminates July 1, 1989.

-End-

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### HB 0032/02

#### APPROVED BY COMMITTEE ON APPROPRIATIONS

| 1  | HOUSE BILL NO. 32   |
|----|---|
| 2  | INTRODUCED BY WALLIN, BARDANOUVE, LYNCH   |
| 3  | BY REQUEST OF THE DEPARTMENT OF LABOR AND INDUSTRY  |
| 4  | CLEAK HAD TRUGSTRY  |
| 5  | A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT DURING                                    |
| 6  | FISCAL YEARS YEAR 1987 THROUGH-1989 PENALTIES AND INTEREST                                    |
| 7  | ON OVERDUE EMPLOYER CONTRIBUTIONS ADDRODDATES   |
| 8  | DEPARTMENT OF LABOR AND INDUSTRY MUST BE USED TO ADMINISTER                                   |
| 9  | THE UNEMPLOYMENT INSURANCE LAW AND DOD  |
| 10 | PROGRAMS; AMENDING SECTION 39-51-1301, MCA; AND PROVIDING AN                                  |
| 11 | IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE."   |
| 12 | THE A TERMINATION DATE."  |
| 13 | BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:                                     |
| 14 | Section 1. Section 28-51 1991   |
| 15 | read:   |
| 16 | "39-51-1301. Penalty and interest on past-due   |
| 17 | contributions. (1) Contributions unpaid on the date on which                                  |
| 18 | they are due and payable on provide the   |
| 19 | they are due and payable, as provided by subsections (1) and (2) of 39-51-1103 and 20 51 1107 |
| 20 | (2) of 39-51-1103 and 39-51-1125, that are paid within 20 days after the due date should be   |
| 21 | days after the due date shall be subject to a penalty   |
| 22 | assessment of \$10 or 10% of the contribution due, whichever                                  |
| 23 | is greater. If the contributions are not paid within 20 days after the due date the           |
| 24 | days after the due date, the employer shall be subject to a                                   |
| 25 | penalty assessment of \$15 or 15% of the contributions due,                                   |
|    | whichever is greater. All past-due contributions shall bear                                   |



1 interest at the rate of 18% a year, to be prorated on a
2 daily basis.

3 (2) A penalty of \$40 shall be assessed whenever, as 4 the result of a willful refusal of an employer to furnish 5 wage information or pay contributions on time, the 6 department issues a subpoena to obtain wage information or 7 makes a summary or jeopardy assessment pursuant to 8 39-51-1302.

9 (3) Interest-and-penalties-collected-pursuant-to--this 10 section--shall-be-paid-into-the-unemployment-insurance-trust 11 fund- There is an account in the state FEDERAL special 12 revenue fund. Penalties and interest collected under this section must be deposited in that account. Money deposited 13 in that account and appropriated to the department must be 14 15 used by the department to administer this chapter and for 16 programs to train and retrain unemployed and underemployed persons. Money in the account not appropriated for these 17 purposes must be transferred by the department to the 18 19 unemployment insurance trust fund at the end of each fiscal 20 year. (4) When failure to pay contributions on time was not 21

21 (4) when failure to pay contributions on time was not
22 caused by willful intent of the employer, the department may
23 abate the penalty and interest.

24 (5) All money accruing to the unemployment insurance
 25 trust fund from interest and penalties collected on past-due
 SECOND READING

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HB 32

## HB 0032/02

HB 32

contributions must be used solely for the payment of
 unemployment insurance benefits and may not be used for any
 other purpose."

<u>NEW SECTION.</u> Section 2. Extension of authority. Any
existing authority of the department of labor and industry
to make rules on the subject of the provisions of this act
is extended to the provisions of this act.

8 <u>NEW SECTION.</u> Section 3. Effective date -- termination
 9 date. This act is effective on passage and approval and
 10 terminates July 1, ±989 1987.

-End-

.... 0032/02

#### HB 0032/02

| 1  | HOUSE BILL NO. 32   | 1  |
|----|---|----|
| 2  | INTRODUCED BY WALLIN, BARDANOUVE, LYNCH   | 2  |
| 3  | BY REQUEST OF THE DEPARTMENT OF LABOR AND INDUSTRY  | 2  |
| 4  |   | -  |
| 5  | A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT DURING  | 4  |
| 6  | FISCAL YEARS YEAR 1987 THROUGH-1989 PENALTIES AND INTEREST  | 5  |
| 7  | ON OVERDUE EMPLOYER CONTRIBUTIONS ARPROPRIATES  | 6  |
| 8  | DEPARTMENT OF LABOR AND INDUSTRY MUST BE USED TO ADMINISTER   | 7  |
| 9  | THE UNEMPLOYMENT INSURANCE LAW AND  | 8  |
| 10 | PROGRAMS: AMENDING SECTION 20 51 55   | 9  |
| 11 | PROGRAMS; AMENDING SECTION 39-51-1301, MCA; AND PROVIDING AN  | 10 |
| 12 | IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE."   | 11 |
| 13 |   | 12 |
| 14 | BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:   | 13 |
| 15 | Section 1. Section 39-51-1301, MCA, is amended to read:   | 14 |
| 16 | "39-51-1301. Penalty and interest on past-due   | 15 |
| 17 |   | 16 |
| 18 | contributions. (1) Contributions unpaid on the date on which  | 17 |
| 19 | they are due and payable, as provided by subsections $(1)$ and $(2)$ of $(2)$ the subsections $(1)$ | 18 |
| 20 | (2) of 39-51-1103 and 39-51-1125, that are paid within 20   | 19 |
|    | days after the due date shall be subject to a penalty   | 20 |
| 21 | assessment of \$10 or 10% of the contribution due, whichever  | 21 |
| 2  | is greater. If the contributions are not paid within 20   | 22 |
| 23 | days after the due date, the employer shall be subject to a   | 23 |
| 4  | penalty assessment of \$15 or 15% of the contributions due  | 24 |
| 25 | whichever is greater. All past-due contributions shall bear   | 25 |
|    |   |    |

Montana Legislative Council

interest at the rate of 18% a year, to be prorated on a daily basis.

3 (2) A penalty of \$40 shall be assessed whenever, as 4 the result of a willful refusal of an employer to furnish 5 wage information or pay contributions on time, the 6 department issues a subpoena to obtain wage information or 7 makes a summary or jeopardy assessment pursuant to 8 39-51-1302.

(3) Interest-and-penalties-collected-pursuant-to--this section--shall-be-paid-into-the-unemployment-insurance-trust fund- There is an account in the state FEDERAL special revenue fund. Penalties and interest collected under this section must be deposited in that account. Money deposited in that account and appropriated to the department must be used by the department to administer this chapter and for programs to train and retrain unemployed and underemployed persons. Money in the account not appropriated for these purposes must be transferred by the department to the unemployment insurance trust fund at the end of each fiscal year. (4) When failure to pay contributions on time was not caused by willful intent of the employer, the department may abate the penalty and interest. (5) All money accruing to the unemployment insurance trust fund from interest and penalties collected on past-due

-2-

THIRD READING

## HB 0032/02

contributions must be used solely for the payment of
 unemployment insurance benefits and may not be used for any
 other purpose."

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

8 <u>NEW SECTION.</u> Section 3. Effective date -- termination
 9 date. This act is effective on passage and approval and
 10 terminates July 1, ±989 1987.

-End-

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|    | HOUSE BILL NO. 32  | 1  | whichev       |
|----|--|----|---------------|
| 1  | INTRODUCED BY WALLIN, BARDANOUVE, LYNCH                      | 2  | interes       |
| 2  |  | 3  | daily b       |
| 3  | BY REQUEST OF THE DEPARTMENT OF LABOR AND INDUSTRY           | 4  | ( 2           |
| 4  |  | 5  | the res       |
| 5  | A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE THAT DURING   | 6  | wage          |
| 6  | FISCAL YEARS YEAR YEARS 1987 THROUGH1989 THROUGH 1989        | 7  | departm       |
| 7  | PENALTIES AND INTEREST ON OVERDUE EMPLOYER CONTRIBUTIONS     | 8  | makes         |
| 8  | APPROPRIATED TO THE DEPARTMENT OF LABOR AND INDUSTRY MUST BE | 9  | 39-51-1       |
| 9  | USED TO ADMINISTER THE UNEMPLOYMENT INSURANCE LAW AND FOR    | 10 | (3            |
| 10 | JOB TRAINING PROGRAMS; AMENDING SECTION 39-51-1301, MCA; AND | 11 | section       |
| 11 | PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION      | 12 | fund: T       |
| 12 | DATE."   | 13 | revenue       |
| 13 |  | 14 |               |
| 14 | BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:    |    | section       |
| 15 | Section 1. Section 39-51-1301, MCA, is amended to            | 15 | <u>in tha</u> |
| 16 | read:  | 16 | used by       |
| 17 | "39-51-1301. Penalty and interest on past-due                | 17 | program       |
| 18 | contributions. (1) Contributions unpaid on the date on which | 18 | persons       |
| 19 | they are due and payable, as provided by subsections (1) and | 19 | purpose       |
| 20 | (2) of 39-51-1103 and 39-51-1125, that are paid within 20    | 20 | unemplo       |
| 21 | days after the due date shall be subject to a penalty        | 21 | year.         |
| 22 | assessment of \$10 or 10% of the contribution due, whichever | 22 | { 4           |
| 24 | assessment of 510 of 106 of the contribution due, whichever  | 23 | caused        |

is greater. If the contributions are not paid within 20

days after the due date, the employer shall be subject to a

penalty assessment of \$15 or 15% of the contributions due,

whichever is greater. All past-due contributions shall bear interest at the rate of 18% a year, to be prorated on a daily basis.

4 (2) A penalty of \$40 shall be assessed whenever, as 5 the result of a willful refusal of an employer to furnish 6 wage information or pay contributions on time, the 7 department issues a subpoena to obtain wage information or 8 makes a summary or jeopardy assessment pursuant to 9 39-51-1302.

3) Interest-and-penalties-collected-pursuant-to--this n--shall-be-paid-into-the-unemployment-insurance-trust There is an account in the state FEDERAL special fund. Penalties and interest collected under this must be deposited in that account. Money deposited it account and appropriated to the department must be the department to administer this chapter and for is to train and retrain unemployed and underemployed . Money in the account not appropriated for these es must be transferred by the department to the syment insurance trust fund at the end of each fiscal When failure to pay contributions on time was not caused by willful intent of the employer, the department may 23 abate the penalty and interest. 24

25 (5) All money accruing to the unemployment insurance

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REFERENCE BILL HB 32

Montana Legislative Council

## HB 0032/03

trust fund from interest and penalties collected on past-due contributions must be used solely for the payment of unemployment insurance benefits and may not be used for any other purpose."

5 <u>NEW SECTION.</u> Section 2. Extension of authority. Any 6 existing authority of the department of labor and industry 7 to make rules on the subject of the provisions of this act 8 is extended to the provisions of this act.

<u>NEW SECTION.</u> Section 3. Effective date -- termination
 date. This act is effective on passage and approval and
 terminates July 1, 1989 1987 1989.

-End-

# **STANDING COMMITTEE REPORT**

|  | June 27 19.86                 |
|--|-------------------------------|
| MR. PRESIDENT  |                               |
| LABOR AND EMPLOYMENT   | RELATIONS                     |
| having had under consideration   | HOUSE BILL No. 32             |
| third reading copy (blue) color  |                               |
| Wallin (Lynch)   |                               |
| UNEMPLOYMENT INSURANCE AND JOB TRA<br>COSTS  | AINING PROGRAM ADMINISTRATIVE |
| Respectfuily report as follows: That   | HOUSE BILL 32                 |
| be amended as follows:   |                               |
| <pre>1. Title, line 6.<br/>Strike: "YEAR"<br/>Insert: "YEARS"<br/>Following: "THROUGH-1989"<br/>Insert: "THROUGH 1989"</pre> |                               |

2. Page 3, line 10.
 Strike: "1987"
 Insert: "1989"

AND AS AMENDED BE CONCURRED IN

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SENATOR J. D. LINCH Chairman.