

HOUSE BILL NO. 78
INTRODUCED BY J. BROWN
BY REQUEST OF THE DEPARTMENT OF REVENUE

IN THE HOUSE

JANUARY 5, 1987	INTRODUCED AND REFERRED TO COMMITTEE ON JUDICIARY.
FEBRUARY 19, 1987	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
FEBRUARY 20, 1987	PRINTING REPORT.
FEBRUARY 21, 1987	SECOND READING, DO PASS.
	ENGROSSING REPORT.
FEBRUARY 23, 1987	THIRD READING, PASSED. AYES, 94; NOES, 4.
	TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 2, 1987	INTRODUCED AND REFERRED TO COMMITTEE ON JUDICIARY.
MARCH 20, 1987	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
MARCH 24, 1987	SECOND READING, CONCURRED IN.
MARCH 26, 1987	THIRD READING, CONCURRED IN. AYES, 50; NOES, 0.
	RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 7, 1987 RECEIVED FROM SENATE.
SECOND READING, AMENDMENTS
CONCURRED IN.

APRIL 8, 1987

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

1 HOUSE BILL NO. 78
 2 INTRODUCED BY J. BROWN
 3 BY REQUEST OF THE DEPARTMENT OF REVENUE

4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO PERMIT THE
 6 ATTACHMENT OR GARNISHMENT OF WORKERS' COMPENSATION BENEFITS
 7 FOR THE PAYMENT OF CERTAIN CHILD SUPPORT OBLIGATIONS; AND
 8 AMENDING SECTION 39-71-743, MCA."

9
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 39-71-743, MCA, is amended to read:
 12 "39-71-743. Assignment or attachment of payments. (1)
 13 No payments under this chapter shall be assignable, subject
 14 to attachment or garnishment, or be held liable in any way
 15 for debts, except:
 16 (a) as provided in 71-3-1118-; or

17 (b) to defray a monetary obligation for current or
 18 past-due child support, subject to the limitations in
 19 subsection (2), whenever:

20 (i) the support obligation is established by order of
 21 a court of competent jurisdiction or by order rendered in an
 22 administrative process authorized by state law; and

23 (ii) the order is being enforced by the department of
 24 revenue or other public agency pursuant to Title IV-D of the
 25 federal Social Security Act.

1 (2) Payments under this section are subject to
 2 assignment, attachment, or garnishment for child support as
 3 follows:

4 (a) The compensation recipient is entitled to the
 5 first \$110 of every weekly payment.

6 (b) The Title IV-D agency under the federal Social
 7 Security Act is entitled to the remainder of each weekly
 8 payment up to a maximum of 50% of the total payment.

9 (c) The Title IV-D agency under the federal Social
 10 Security Act is entitled to a maximum of 50% of any lump-sum
 11 settlement payment.

12 t27(3) After determination that the claim is covered
 13 under the Workers' Compensation Act or Occupational Disease
 14 Act of Montana, the liability for payment of the claim is
 15 the responsibility of the appropriate workers' compensation
 16 insurer. No fee or charge shall be payable by the injured
 17 worker for treatment of injuries sustained if liability is
 18 accepted by the insurer."

19 NEW SECTION. Section 2. Extension of authority. Any
 20 existing authority of the department of revenue or the
 21 department of labor to make rules on the subject of the
 22 provisions of this act is extended to the provisions of this
 23 act.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB078, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to permit the attachment or garnishment of Workers' Compensation benefits for the payments of certain child support obligations; and amending Section 39-71-743, MCA.

ASSUMPTIONS:

- A. Current staff will be able to absorb the increased workload.
- B. 5% of compensation cases will require a payment to child support.
- C. The division's computerized compensation check-writing system will be operational by 7/1/87.
- D. The Statement of Benefits form and the computer program which prints the form must be changed.
- E. The AFDC match rate is 66.38% federal funds.

FISCAL IMPACT:

Expenditures:

Workers Compensation Division:

	FY88	
	Current Law	Proposed Law
Data processing development costs (one time)	\$ 0	\$ 2,720

Funding Source: Workers' Compensation Fund = \$2,720

Revenues:

Under the proposed law, the money received by the garnishment of the claim would be distributed to the general fund and federal fund in the same ratio as the AFDC claim is paid.

The Department of Revenue estimates \$20,000 to be returned per year under the proposed law. The breakout of the \$20,000 would be 66.38% or \$13,276 federal funds and 33.62% or \$6,724 general fund.

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

N/A

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

N/A

TECHNICAL OR MECHANICAL DEFECTS IN PROPOSED LEGISLATION OR CONFLICTS WITH EXISTING LEGISLATION:

N/A


DATE 1/10/87
DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning


DATE 1/12/87
JAN BROWN, PRIMARY SPONSOR

Fiscal Note for HB078, as introduced.

HB78

APPROVED BY COMMITTEE
ON JUDICIARY

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6 ATTACHMENT OR GARNISHMENT OF WORKERS' COMPENSATION LUMP-SUM
7 BENEFITS FOR THE PAYMENT OF CERTAIN CHILD SUPPORT
8 OBLIGATIONS; AND AMENDING SECTION 39-71-743, MCA."9
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18 (a) as provided in 71-3-1118r; or
19 (b) to defray a monetary obligation for current or
20 past-due child support, subject to the limitations in
21 subsection (2), whenever:22 (i) the support obligation is established by order of
23 a court of competent jurisdiction or by order rendered in an
24 administrative process authorized by state law; and
25 (ii) the order is being enforced by the department of
revenue or other public agency pursuant to Title IV-D of the
federal Social Security Act.1
2 (2) Payments A LUMP-SUM PAYMENT under this section-are
3 CHAPTER IS subject to assignment, attachment, or garnishment
4 for child support as-follows:
5 (a)--The-compensation--recipient--is--entitled--to--the
6 first-910-of-every-weekly-payment;
7 (b)--The--Title--IV-D--agency--under-the-federal-Social
8 Security-Act-is-entitled-to-the--remainder--of--each--weekly
9 payment-up-to-a-maximum-of-50%--of--the--total--payment;
10 (c)--The--Title--IV-D--agency--under-the-federal-Social
11 Security-Act-is-entitled-to-a-maximum-of-50%--of--any--lump-sum
12 settlement--payment BY THE TITLE IV-D AGENCY UNDER THE
13 FEDERAL SOCIAL SECURITY ACT IN THE AMOUNT THAT PART OF A
14 LUMP SUM IS SPECIFICALLY GRANTED FOR THE PAYMENT OF PAST-DUE
15 CHILD SUPPORT.16
17 (2)(3) After determination that the claim is covered
18 under the Workers' Compensation Act or Occupational Disease
19 Act of Montana, the liability for payment of the claim is
20 the responsibility of the appropriate workers' compensation
21 insurer. No fee or charge shall be payable by the injured
22 worker for treatment of injuries sustained if liability is
23 accepted by the insurer."24
25 NEW SECTION. Section 2. Extension of authority. Any
existing authority of the department of revenue or the
department of labor to make rules on the subject of the
provisions of this act is extended to the provisions of this

HB 0078/02

1 act.

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 13 past-due child support, subject to the limitations in
 14 subsection (2), whenever:

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 16 a court of competent jurisdiction or by order rendered in an
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settlement-payment BY THE TITLE IV-D AGENCY UNDER THE
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LUMP SUM IS SPECIFICALLY GRANTED FOR THE PAYMENT OF PAST-DUE
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Section 1. Section 39-71-743, MCA, is amended to read: "39-71-743. Assignment or attachment of payments. (1) No payments under this chapter shall be assignable, subject to attachment or garnishment, or be held liable in any way for debts, except:

(a) as provided in 71-3-1118.; or
 (b) to defray a portion of any lump-sum award or periodic payment to pay a monetary obligation for current or past-due child support, subject to the limitations in subsection (2), whenever:

if the support obligation is established by order of a court of competent jurisdiction or by order rendered in an administrative process authorized by state law; and

if the order is being enforced by the department of revenue or other public agency pursuant to Title IV-D of the

federal-Social-Security-Act.

(2) Payments A-lump-sum-payment payments under this section--are CHAPTER IS ARE subject to assignment, attachment, or garnishment for child support as follows: AS FOLLOWS:

(a) The compensation recipient is entitled to the first \$110 of every weekly payment.

(b) The Title IV-D agency under the federal Social Security Act is entitled to the remainder of each weekly payment up to a maximum of 50% of the total payment.

(c) The Title IV-D agency under the federal Social Security Act is entitled to a maximum of 50% of any lump-sum settlement payment BY THE TITLE IV D AGENCY UNDER THE FEDERAL SOCIAL SECURITY ACT IN THE AMOUNT THAT PART OF A lump-sum is specifically granted for the payment of past due child support

(A) For any periodic payment, an amount up to the percentage amount established in the guidelines promulgated in Supreme Court Order No. 86-223, dated January 13, 1987; or

(B) For any lump-sum award, an amount up to that portion of the award that is approved for payment on the basis of a past-due child support obligation.

(2) After determination that the claim is covered under the Workers' Compensation Act or Occupational Disease

1 Act of Montana, the liability for payment of the claim is
2 the responsibility of the appropriate workers' compensation
3 insurer. No fee or charge shall be payable by the injured
4 worker for treatment of injuries sustained if liability is
5 accepted by the insurer."

6 NEW SECTION. Section 2. Extension of authority. Any
7 existing authority of the department of revenue or the
8 department of labor to make rules on the subject of the
9 provisions of this act is extended to the provisions of this
10 act.

-End-

STANDING COMMITTEE REPORT

SENATE

March 19

87

19

MR. PRESIDENT

We, your committee on SENATE JUDICIARY.....
having had under consideration..... HOUSE BILL No. 78.....

Third reading copy (blue)
color

Permit attachment or garnishment of workers' comp. to pay child support.
Brown (Halligan)

Respectfully report as follows: That..... HOUSE BILL No. 78.....

1. Title, line 6.
Following: "COMPENSATION"
Strike: "LUMP-SUM"

2. Page 1, line 17.
Following: "(b)"
Strike: "to defray"
Insert: "a portion of any lump-sum award or periodic payment to
pay"

3. Page 1, lines 19 and 20.
Following: "whenever" on line 19
Strike: the remainder of line 19 through "(i)" on line 20

4. Page 1, lines 22 through 25.
Following: "law" on line 22
Strike: the remainder of line 22 through "Act" on line 25

5. Page 2, line 1.
Following: "Payments"
Strike: "A LUMP-SUM PAYMENT"
Insert: "Payments"

SENATE JUDICIARY

HB 78
Page 2,

6. Page 2, line 2.
Following: "CHAPTER"
Strike: "IS"
Insert: "are"

7. Page 2, line 3.
Following: "Follows:"
Insert: "as follows:"

8. Page 2, lines 11 through 14.
Following: "payment" on line 11
Strike: the remainder of line 11 through "SUPPORT" on line 14
Insert: "(a) for any periodic payment, an amount up to the
percentage amount established in the guidelines promulgated
in supreme court Order No. 86-223, dated January 13, 1987;
or
(b) for any lump-sum award, an amount up to that portion
of the award that is approved for payment on the basis of a
past-due child support obligation"

C:\LANE\WP\AMDHB78.

AND AS AMENDED
BE CONCURRED IN

XXXXXX

XXXXXX CONTINUED

SENATOR MAZUREK

Chairman

3/19/87
5/5/87

SENATOR MAZUREK

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