

IN THE SENATE

FEBRUARY 11, 1987

RECEIVED FROM HOUSE.

REFERRED TO COMMITTEE ON
LABOR & EMPLOYMENT RELATIONS.

MARCH 21, 1987

COMMITTEE RECOMMEND BILL BE
CONCURRED IN AS AMENDED. REPORT
ADOPTED.

MARCH 26, 1987

SECOND READING, CONCURRED IN.

MARCH 28, 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 HB BILL NO. 166
 2 INTRODUCED BY James C. Smith
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO DELETE THE PROVISION
 5 THAT PROVIDES THAT THE EFFECT OF A JUDGMENT AGAINST AN
 6 EMPLOYER FOR UNPAID UNEMPLOYMENT INSURANCE CONTRIBUTIONS
 7 ARISES AT THE TIME THE CONTRIBUTIONS ARE DUE; AMENDING
 8 SECTION 39-51-1304, MCA; AND PROVIDING AN IMMEDIATE
 9 EFFECTIVE DATE AND AN APPLICABILITY DATE."

10
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 12 Section 1. Section 39-51-1304, MCA, is amended to
 13 read:
 14 "39-51-1304. Lien for payment of unpaid contributions
 15 -- levy and execution. Unpaid contributions have the effect
 16 of a judgment against the employer, ~~arising at the time the~~
 17 ~~contributions are due.~~ The department may issue a ~~lien~~
 18 certificate setting forth the amount of contributions due
 19 and accrued interest and directing the clerk of the district
 20 court of any county of the state to enter the certificate as
 21 a judgment in the docket pursuant to 25-9-301. After the
 22 due process requirements of 39-51-1109 and 39-51-2403 have
 23 been satisfied, the department may enforce the judgment
 24 pursuant to Title 25, chapter 13, except that the department
 25 may enforce the judgment at any time within 10 years of the

1 creation of the lien."
 2 NEW SECTION. Section 2. Extension of authority. Any
 3 existing authority of the department of labor and industry
 4 to make rules on the subject of the provisions of this act
 5 is extended to the provisions of this act.
 6 NEW SECTION. Section 3. Effective date --
 7 applicability. This act is effective on passage and approval
 8 and applies to contributions due after the effective date of
 9 this act.

-End-



-2- INTRODUCED BILL
 HB-166

1 HB BILL NO. 166
2 INTRODUCED BY James C. Smith

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO DELETE THE PROVISION
5 THAT PROVIDES THAT THE EFFECT OF A JUDGMENT AGAINST AN
6 EMPLOYER FOR UNPAID UNEMPLOYMENT INSURANCE CONTRIBUTIONS
7 ARISES AT THE TIME THE CONTRIBUTIONS ARE DUE; AMENDING
8 SECTION 39-51-1304, MCA; AND PROVIDING AN IMMEDIATE
9 EFFECTIVE DATE AND AN APPLICABILITY DATE."

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11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
12 Section 1. Section 39-51-1304, MCA, is amended to
13 read:

14 "39-51-1304. Lien for payment of unpaid contributions
15 -- levy and execution. Unpaid contributions have the effect
16 of a judgment against the employer, ~~arising at the time the~~
17 ~~contributions are due.~~ The department may issue a lien
18 certificate setting forth the amount of contributions due
19 and accrued interest and directing the clerk of the district
20 court of any county of the state to enter the certificate as
21 a judgment in the docket pursuant to 25-9-301. After the
22 due process requirements of 39-51-1109 and 39-51-2403 have
23 been satisfied, the department may enforce the judgment
24 pursuant to Title 25, chapter 13, except that the department
25 may enforce the judgment at any time within 10 years of the

1 creation of the lien."
2 NEW SECTION. Section 2. Extension of authority. Any
3 existing authority of the department of labor and industry
4 to make rules on the subject of the provisions of this act
5 is extended to the provisions of this act.

6 NEW SECTION. Section 3. Effective date --
7 applicability. This act is effective on passage and approval
8 and applies to contributions due after the effective date of
9 this act.

-End-



1 HOUSE BILL NO. 166

2 INTRODUCED BY JONES, C. SMITH

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO ~~REPEAL THE PROVISION~~
5 ~~THAT PROVIDES THAT THE EFFECT OF A JUDGMENT AGAINST AN~~
6 ~~EMPLOYER FOR UNPAID UNEMPLOYMENT INSURANCE CONTRIBUTIONS~~
7 ~~ARISES AT THE TIME THE CONTRIBUTIONS ARE DUE~~ PROVIDE THAT
8 THE LIEN ON REAL OR PERSONAL PROPERTY CREATED BY THE
9 ENTRANCE OF THE CERTIFICATE IS NOT VALID AGAINST ANY THIRD
10 PARTY WHO RECEIVED AN AFFIDAVIT FROM THE MOST RECENT GRANTOR
11 CONFIRMING THAT ALL CONTRIBUTIONS, ASSESSMENTS, PENALTIES,
12 AND INTEREST DUE HAVE BEEN PAID; AMENDING SECTION
13 39-51-1304, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE
14 AND AN APPLICABILITY DATE."

15
16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:17 Section 1. Section 39-51-1304, MCA, is amended to
18 read:

19 "39-51-1304. Lien for payment of unpaid contributions
20 -- levy and execution. (1) Unpaid contributions have the
21 effect of a judgment against the employer, ~~arising at the~~
22 ~~time the contributions are due,~~ ARISING AT THE TIME THE
23 CONTRIBUTIONS ARE DUE. The department may issue a ~~lien~~
24 certificate setting forth the amount of contributions due
25 and accrued interest and directing the clerk of the district

1 court of any county of the state to enter the certificate as
2 a judgment in the docket pursuant to 25-9-301. After the
3 due process requirements of 39-51-1109 and 39-51-2403 have
4 been satisfied, the department may enforce the judgment
5 pursuant to Title 25, chapter 13, except that the department
6 may enforce the judgment at any time within 10 years of the
7 creation of the lien.

8 (2) THE LIEN PROVIDED FOR IN SUBSECTION (1) IS NOT
9 VALID AGAINST ANY THIRD PARTY OWNING AN INTEREST IN REAL OR
10 PERSONAL PROPERTY AGAINST WHICH THE JUDGMENT IS ENFORCED IF:

11 (A) THE THIRD PARTY'S INTEREST IS RECORDED PRIOR TO
12 THE ENTRANCE OF THE CERTIFICATE AS A JUDGMENT; AND

13 (B) THE THIRD PARTY RECEIVES FROM THE MOST RECENT
14 GRANTOR OF THE INTEREST A SIGNED AFFIDAVIT STATING THAT ALL
15 CONTRIBUTIONS, ASSESSMENTS, PENALTIES, AND INTEREST DUE FROM
16 THE GRANTOR HAVE BEEN PAID.

17 (3) A GRANTOR WHO SIGNS AND DELIVERS AN AFFIDAVIT IS
18 SUBJECT TO THE PENALTIES IMPOSED BY 39-51-3204 IF ANY PART
19 OF IT IS UNTRUE. NOTWITHSTANDING THE PROVISIONS OF
20 39-51-3204, THE DEPARTMENT MAY PROCEED AGAINST THE EMPLOYER
21 UNDER THIS SECTION OR 39-51-1303, OR BOTH, TO COLLECT THE
22 DELINQUENT CONTRIBUTIONS, ASSESSMENTS, PENALTIES, AND
23 INTEREST."

24 NEW SECTION. Section 2. Extension of authority. Any
25 existing authority of the department of labor and industry

1 to make rules on the subject of the provisions of this act
2 is extended to the provisions of this act.

3 NEW SECTION. Section 3. Effective date --
4 applicability. This act is effective on passage and approval
5 and applies to contributions due after the effective date of
6 this act.

-End-

STANDING COMMITTEE REPORT

Committee on Labor and
Employment Relations

Page 2 of 2
HB 166

SENATE

March 19 19 87

March 19 19 87

MR. PRESIDENT

We, your committee on LABOR AND EMPLOYMENT RELATIONS

having had under consideration HOUSE BILL No. 166

Third reading copy (blue color)

JUDGMENT FOR UNPAID UNEMPLOYMENT INSURANCE NOT ARISE WHEN CONTRIBUTIONS DUE

JONES (GAGE)

Respectfully report as follows: That HOUSE BILL No. 166

be amended as follows:

- 1. Title, lines 4 through 7.
Strike: "DELETE" on line 4 through "DUE" on line 7
Insert: "PROVIDE THAT THE LIEN ON REAL OR PERSONAL PROPERTY CREATED BY THE ENTRANCE OF THE CERTIFICATE IS NOT VALID AGAINST ANY THIRD PARTY WHO RECEIVED AN AFFIDAVIT FROM THE MOST RECENT GRANTOR CONFIRMING THAT ALL CONTRIBUTIONS, ASSESSMENTS, PENALTIES, AND INTEREST DUE HAVE BEEN PAID"
- 2. Page 1, line 15.
Following: "execution."
Insert: "(1)"
- 3. Page 1, line 17.
Following: "due"
Insert: ", arising at the time the contributions are due"
- 4. Page 2, following line 1.
Insert: "(2) The lien provided for in subsection (1) is not valid against any third party owning an interest in real or personal property against which the judgment is enforced if:
(a) the third party's interest is recorded prior to the entrance of the certificate as a judgment; and
(b) the third party receives from the most recent grantor of the interest a signed affidavit stating that all contributions, assessments, penalties, and interest due from the grantor have been paid.

AND AS AMENDED,
BE CONCURRED IN

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XXXXXXXXXX

CONTINUED

Chairman

3-20

JOHN "J.D." LYNCH, Chairman

[Handwritten signature]