

HOUSE BILL NO. 689

INTRODUCED BY SWIFT, REHBERG, C. SMITH, JONES, MANUEL,
DRISCOLL, HANNAH, HOFFMAN, SEVERSON, BLAYLOCK, MARKS

IN THE HOUSE

FEBRUARY 10, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON BUSINESS & LABOR.

FEBRUARY 14, 1987 COMMITTEE RECOMMEND BILL
DO PASS. REPORT ADOPTED.

FEBRUARY 17, 1987 PRINTING REPORT.

FEBRUARY 18, 1987 SECOND READING, DO PASS.

FEBRUARY 19, 1987 ENGROSSING REPORT.

THIRD READING, PASSED.
AYES, 92; NOES, 3.

TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 21, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON LABOR & EMPLOYMENT RELATIONS.

MARCH 13, 1987 COMMITTEE RECOMMEND BILL BE
CONCURRED IN. REPORT ADOPTED.

MARCH 18, 1987 SECOND READING, CONCURRED IN.

MARCH 20, 1987 THIRD READING, CONCURRED IN.
AYES, 49; NOES, 0.

RETURNED TO HOUSE.

IN THE HOUSE

MARCH 21, 1987 RECEIVED FROM SENATE.

SENT TO ENROLLING.

1 House BILL NO. 689
 2 INTRODUCED BY Don C. Smith
 3 Manuel Quintana Huffman Savary Blaylock
 4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT UNDER Mark
 5 THE WORKERS' COMPENSATION ACT AN INDEPENDENT CONTRACTOR'S
 6 ELECTION OF EXEMPT STATUS REMAINS IN EFFECT UNTIL THE
 7 INDEPENDENT CONTRACTOR NOTIFIES THE WORKERS' COMPENSATION
 8 DIVISION OF A CHANGE IN HIS STATUS; AND AMENDING SECTION
 9 39-71-401, MCA."

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

12 Section 1. Section 39-71-401, MCA, is amended to read:

13 "39-71-401. Employments covered and employments
 14 exempted. (1) Except as provided in subsection (2) of this
 15 section, the Workers' Compensation Act applies to all
 16 employers as defined in 39-71-117 and to all employees as
 17 defined in 39-71-118. An employer who has any employee in
 18 service under any appointment or contract of hire, expressed
 19 or implied, oral or written, shall elect to be bound by the
 20 provisions of compensation plan No. 1, 2, or 3. Every
 21 employee whose employer is bound by the Workers'
 22 Compensation Act is subject to and bound by the compensation
 23 plan that has been elected by the employer.

24 (2) Unless the employer elects coverage for these
 25 employments under this chapter and an insurer allows such an

1 election, the Workers' Compensation Act does not apply to
 2 any of the following employments:

- 3 (a) household and domestic employment;
- 4 (b) casual employment as defined in 39-71-116(3)
 5 except employment of a volunteer under 67-2-105;
- 6 (c) employment of members of an employer's family
 7 dwelling in the employer's household;
- 8 (d) employment of sole proprietors or working members
 9 of a partnership other than those who consider themselves or
 10 hold themselves out as independent contractors and who are
 11 not contracting for agricultural services to be performed on
 12 a farm or ranch, or for broker or salesman services
 13 performed under a license issued by the board of realty
 14 regulation, or for services as a direct seller engaged in
 15 the sale of consumer products to customers primarily in the
 16 home;
- 17 (e) employment for which a rule of liability for
 18 injury, occupational disease, or death is provided under the
 19 laws of the United States;
- 20 (f) any person performing services in return for aid
 21 or sustenance only, except employment of a volunteer under
 22 67-2-105;
- 23 (g) employment with any railroad engaged in interstate
 24 commerce, except that railroad construction work shall be
 25 included in and subject to the provisions of this chapter;

1 (h) employment as an official, including a timer,
2 referee, or judge, at a school amateur athletic event,
3 unless the person is otherwise employed by a school
4 district.

5 (3) (a) A sole proprietor or working member of a
6 partnership who holds himself out or considers himself an
7 independent contractor and who is not contracting for
8 agricultural services to be performed on a farm or ranch, or
9 for broker or salesman services performed under a license
10 issued by the board of realty regulation, or for services as
11 a direct seller engaged in the sale of consumer products to
12 customers primarily in the home must elect to be bound
13 personally and individually by the provisions of
14 compensation plan No. 1, 2, or 3, but he may apply to the
15 division for an exemption from the Workers' Compensation Act
16 for himself.

17 (b) The application must be made in accordance with
18 the rules adopted by the division. The division may deny the
19 application only if it determines that the applicant is not
20 an independent contractor.

21 (c) When an application is approved by the division,
22 it is conclusive as to the status of an independent
23 contractor and precludes the applicant from obtaining
24 benefits under this chapter.

25 (d) When an election of an exemption is approved by

1 the division, the election remains effective and the
2 independent contractor retains his status as an independent
3 contractor until he notifies the division of any change in
4 his status and provides a description of his present work
5 status.

6 (4) Each employer shall post a sign in the workplace
7 at the locations where notices to employees are normally
8 posted, informing employees about the employer's current
9 provision of compensation insurance. A workplace is any
10 location where an employee performs any work-related act in
11 the course of employment, regardless of whether the location
12 is temporary or permanent, and includes the place of
13 business or property of a third person while the employer
14 has access to or control over such place of business or
15 property for the purpose of carrying on his usual trade,
16 business, or occupation. The sign will be provided by the
17 division, distributed through insurers or directly by the
18 division, and posted by employers in accordance with rules
19 adopted by the division. An employer who purposely or
20 knowingly fails to post a sign as provided in this
21 subsection is subject to a \$50 fine for each citation."

22 NEW SECTION. Section 2. Extension of authority. Any
23 existing authority of the division of workers' compensation
24 to make rules on the subject of the provisions of this act
25 is extended to the provisions of this act.

-End-

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STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB688, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act waiving oil and gas royalties on state lands for leases granted after June 1, 1987; providing an immediate effective date and a termination date.

ASSUMPTIONS:

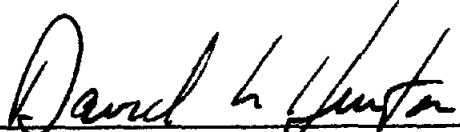
1. There will be two oil wells and two gas wells drilled on state leases in the biennium.
2. Production from these wells will occur in each month of the biennium.
3. Oil prices will be \$16.00 per barrel over the period impact by this bill.
4. Gas prices will be \$1.25 per barrel over the period impact by this bill.
5. 5% of interest will be re-invested yearly.
6. Interest will yield 12% annually.
7. Proposed legislation will increase leasing 5% per year.
8. Bonus bids will average \$4.31 per acre.
9. Additional rentals will yield \$1.50 per acres.
10. The long term effect on interest is not considered.

FISCAL IMPACT:

The loss of royalty and interest revenue over the biennium due to the proposed legislation will be \$460,976. Bonus and rental income will increase \$119,995 during the biennium due to the proposal.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

The four year window period (June 1, 1987 - July 1, 1991) applies to leases that are granted. A well must commence drilling 10 years after the lease has been granted, thus revenues could be impacted for as long as 14 years. If over this 14 year period an average of 1 well is drilled, royalty income would be reduced by \$5,085,150 of the 26 year life of the well. The increase bonuses earned over the same period would be \$187,627.

 DATE 2/18/87
DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning

DATE _____
DAVE BROWN, PRIMARY SPONSOR

Fiscal Note for HB688, as introduced.

HB 688

APPROVED BY COMM. ON BUSINESS AND LABOR

1 House BILL NO. 619
 2 INTRODUCED BY Manuel Enrique Hernandez Secretary
 3 Blaylock
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 17 service under any appointment or contract of hire, expressed
 18 or implied, oral or written, shall elect to be bound by the
 19 provisions of compensation plan No. 1, 2, or 3. Every
 20 employee whose employer is bound by the Workers'
 21 Compensation Act is subject to and bound by the compensation
 22 plan that has been elected by the employer.

23 (2) Unless the employer elects coverage for these
 24 employments under this chapter and an insurer allows such an
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1 election, the Workers' Compensation Act does not apply to
 2 any of the following employments:

- 3 (a) household and domestic employment;
- 4 (b) casual employment as defined in 39-71-116(3)
 5 except employment of a volunteer under 67-2-105;
- 6 (c) employment of members of an employer's family
 7 dwelling in the employer's household;
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 9 of a partnership other than those who consider themselves or
 10 hold themselves out as independent contractors and who are
 11 not contracting for agricultural services to be performed on
 12 a farm or ranch, or for broker or salesman services
 13 performed under a license issued by the board of realty
 14 regulation, or for services as a direct seller engaged in
 15 the sale of consumer products to customers primarily in the
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- 17 (e) employment for which a rule of liability for
 18 injury, occupational disease, or death is provided under the
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- 20 (f) any person performing services in return for aid
 21 or sustenance only, except employment of a volunteer under
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 24 commerce, except that railroad construction work shall be
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2 referee, or judge, at a school amateur athletic event,
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14 compensation plan No. 1, 2, or 3, but he may apply to the
15 division for an exemption from the Workers' Compensation Act
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17 (b) The application must be made in accordance with
18 the rules adopted by the division. The division may deny the
19 application only if it determines that the applicant is not
20 an independent contractor.

21 (c) When an application is approved by the division,
22 it is conclusive as to the status of an independent
23 contractor and precludes the applicant from obtaining
24 benefits under this chapter.

25 (d) When an election of an exemption is approved by

1 the division, the election remains effective and the
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22 NEW SECTION. Section 2. Extension of authority. Any
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 3 Manuel D. Davis Harold Hoffman Samuel Blaylock
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HB 0689/02

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