

HOUSE BILL NO. 677

INTRODUCED BY DRISCOLL, WHALEN, PAVLOVICH, MCCORMICK,  
SQUIRES, COCCHIARELLA, O'KEEFE, COMPTON,  
GLASER, THOMAS, KILPATRICK, SMITH, RUSSELL

BY REQUEST OF THE HOUSE LABOR AND  
EMPLOYEE RELATIONS COMMITTEE

IN THE HOUSE

FEBRUARY 13, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON LABOR & EMPLOYMENT RELATIONS.
FEBRUARY 14, 1989	FIRST READING.
FEBRUARY 15, 1989	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
FEBRUARY 16, 1989	PRINTING REPORT.
FEBRUARY 18, 1989	SECOND READING, DO PASS.
FEBRUARY 20, 1989	ENGROSSING REPORT.
FEBRUARY 21, 1989	THIRD READING, PASSED. AYES, 98; NOES, 0.
	TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 28, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON LABOR & EMPLOYMENT RELATIONS.
	FIRST READING.
MARCH 17, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 18, 1989	SECOND READING, CONCURRED IN.
MARCH 21, 1989	THIRD READING, CONCURRED IN. AYES, 49; NOES, 0.
	RETURNED TO HOUSE.

MARCH 22, 1989

IN THE HOUSE

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *HOUSE* BILL NO. *677*  
 2 INTRODUCED BY *Russell Whalen Carlson*  
 3 BY REQUEST OF THE HOUSE LABOR AND  
 4 EMPLOYEE RELATIONS COMMITTEE *Smith Russell*

5  
 6 A BILL FOR AN ACT ENTITLED: "AN ACT TO CLARIFY THAT THE  
 7 REQUIREMENT TO DEPOSIT UNEMPLOYMENT INSURANCE TAX INTO  
 8 UNEMPLOYMENT TRUST FUND ACCOUNT INCLUDES ANY INVESTMENT  
 9 INCOME GENERATED ON THE TAX; AND AMENDING SECTION 39-51-404,  
 10 MCA."  
 11

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

13 **Section 1.** Section 39-51-404, MCA, is amended to read:

14 **"39-51-404. Administrative expenses.** (1) Money credited  
 15 to the account of this state in the unemployment trust fund  
 16 by the secretary of the treasury of the United States  
 17 pursuant to section 903 of the Social Security Act, as  
 18 amended, may be requisitioned and used for the payment of  
 19 expenses incurred for the administration of this chapter  
 20 pursuant to a specific appropriation by the legislature,  
 21 provided that the expenses are incurred and the money is  
 22 requisitioned after the enactment of an appropriation law  
 23 which:

24 (a) specifies the purposes for which such money is  
 25 appropriated and the amounts appropriated therefor;

1 (b) limits the period within which such money may be  
 2 expended to a period ending not more than 2 years after the  
 3 date of the enactment of the appropriation law; and

4 (c) limits the amount which may be used during any  
 5 12-month period beginning on July 1 and ending on the next  
 6 June 30 to an amount which does not exceed the amount by  
 7 which the aggregate of the amounts credited to the account  
 8 of this state pursuant to section 903 of the Social Security  
 9 Act, as amended, during the same 12-month period and the 34  
 10 preceding 12-month periods exceeds the aggregate of the  
 11 amounts used pursuant to this section and charged against  
 12 the amounts credited to the account of this state during any  
 13 of such 35 12-month periods.

14 (2) For the purposes of this section, amounts used  
 15 during any such 12-month period shall be charged against  
 16 equivalent amounts which were first credited and which are  
 17 not already so charged, except that no amount used for  
 18 administration during any such 12-month period may be  
 19 charged against any amount credited during such a 12-month  
 20 period earlier than the 34th preceding such period. Money  
 21 requisitioned for the payment of expenses of administration  
 22 pursuant to this section shall be deposited in the  
 23 unemployment insurance administration account but, until  
 24 expended, shall remain a part of the unemployment insurance  
 25 fund.

1       (3) The department shall maintain a separate record of  
2 the deposit, obligation, expenditure, and return of funds so  
3 deposited. If any money so deposited is for any reason not  
4 to be expended for the purpose for which it was appropriated  
5 or if it remains unexpended at the end of the period  
6 specified by the law appropriating such money, it shall be  
7 withdrawn and returned to the secretary of the treasury of  
8 the United States for credit to this state's account in the  
9 unemployment trust fund.

10       (4) Beginning with the third quarter of 1983, an  
11 assessment equal to .1% of all taxable wages provided for in  
12 39-51-1108 and .05% of total wages paid by employers not  
13 covered by an experience rating must be levied against and  
14 paid by all employers and may be used by the department for  
15 administrative purposes. All such assessments must be  
16 deposited in the unemployment insurance administration  
17 account provided for in 39-51-406 and used as appropriated  
18 by the legislature. Any assessments deposited to the  
19 unemployment insurance administration account, including  
20 investment income, that are not appropriated by the  
21 legislature must be transferred to the unemployment trust  
22 fund account provided for in 39-51-402."

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB677, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

"An act to clarify that the requirement to deposit unemployment insurance tax into unemployment trust fund account includes any investment income generated on the tax; and amending Section 39-51-404, MCA."

ASSUMPTIONS: None

The proposed legislation gives the Department of Labor and Industry statutory authority to continue past practice.

*Ray Shackelford*

DATE 2/20/89

RAY SHACKLEFORD, BUDGET DIRECTOR  
OFFICE OF BUDGET AND PROGRAM PLANNING

*Jerry L. Driscoll*

DATE 2/20/89

JERRY L. DRISCOLL, PRIMARY SPONSOR

Fiscal Note for HB677, as introduced

**HB677**

APPROVED BY COMMITTEE  
ON LABOR & EMPLOYMENT  
RELATIONS

1 *House* BILL NO. *677*  
2 INTRODUCED BY *Whalen*  
3 *By Request of the House Labor and Employee Relations Committee*  
4 *Constitution*

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18 amended, may be requisitioned and used for the payment of  
19 expenses incurred for the administration of this chapter  
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3 date of the enactment of the appropriation law; and

4 (c) limits the amount which may be used during any  
5 12-month period beginning on July 1 and ending on the next  
6 June 30 to an amount which does not exceed the amount by  
7 which the aggregate of the amounts credited to the account  
8 of this state pursuant to section 903 of the Social Security  
9 Act, as amended, during the same 12-month period and the 34  
10 preceding 12-month periods exceeds the aggregate of the  
11 amounts used pursuant to this section and charged against  
12 the amounts credited to the account of this state during any  
13 of such 35 12-month periods.

14 (2) For the purposes of this section, amounts used  
15 during any such 12-month period shall be charged against  
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25 fund.

LC 1751/01

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2 the deposit, obligation, expenditure, and return of funds so  
3 deposited. If any money so deposited is for any reason not  
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8 the United States for credit to this state's account in the  
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10 (4) Beginning with the third quarter of 1983, an  
11 assessment equal to .1% of all taxable wages provided for in  
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-End-

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