

HOUSE BILL NO. 62

INTRODUCED BY OWENS, SMITH, NELSON,  
DRISCOLL, STANG, GLASER, QUILICI

IN THE HOUSE

JUNE 28, 1989

INTRODUCED AND REFERRED TO COMMITTEE  
ON LABOR & EMPLOYMENT RELATIONS.

FIRST READING.

COMMITTEE RECOMMEND BILL  
DO PASS AS AMENDED. REPORT ADOPTED.

JUNE 29, 1989

PRINTING REPORT.

ON MOTION, RULES SUSPENDED AND BILL  
PLACED ON SECOND READING THIS DAY.

SECOND READING, DO PASS AS AMENDED.

ON MOTION, RULES SUSPENDED AND BILL  
PLACED ON THIRD READING THIS DAY.

THIRD READING, PASSED.  
AYES, 89; NOES, 3.

TRANSMITTED TO SENATE.

IN THE SENATE

JUNE 30, 1989

INTRODUCED AND REFERRED TO COMMITTEE  
ON LABOR & EMPLOYMENT RELATIONS.

FIRST READING.

JULY 12, 1989

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

JULY 13, 1989

SECOND READING, CONCURRED IN.

THIRD READING, CONCURRED IN.  
AYES, 47; NOES, 1.

RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

JULY 14, 1989

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS  
CONCURRED IN.

ON MOTION, RULES SUSPENDED AND BILL  
PLACED ON THIRD READING THIS DAY.

THIRD READING, AMENDMENTS  
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *House* BILL NO. *62*  
2 INTRODUCED BY *Oggers Smith Nelson Smith*  
3 *Stang Nelson Quinn*  
4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A JOINT  
5 SELECT COMMITTEE ON WORKERS' COMPENSATION; DEFINING THE  
6 POWERS AND DUTIES OF THE COMMITTEE; APPROPRIATING FUNDS FOR  
7 USE BY THE COMMITTEE; AND PROVIDING AN IMMEDIATE EFFECTIVE  
8 DATE AND A TERMINATION DATE."  
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10 WHEREAS, last year, the actuary of the state workers'  
11 compensation plan No. 3 determined that, as of June 30,  
12 1988, an unfunded liability of \$157.3 million existed in the  
13 state fund of the Montana workers' compensation insurance  
14 system; and

15 WHEREAS, the actuary now projects that the unfunded  
16 liability in the state fund will increase to \$215.2 million  
17 by June 30, 1989; and

18 WHEREAS, this increase in the unfunded liability in the  
19 state fund has occurred despite legislation enacted in 1987  
20 to reform the Montana workers' compensation insurance  
21 system; and

22 WHEREAS, current plans to reduce the unfunded liability  
23 would require substantial increases in workers' compensation  
24 insurance premiums, which many businesses cannot afford  
25 because their rates are already too high; and

1 WHEREAS, other options need to be explored for reducing  
2 the unfunded liability in the state fund; and

3 WHEREAS, the solvency of the state fund is of great  
4 importance to all Montanans; and

5 WHEREAS, there is a need to assure employers that the  
6 state will provide an affordable program to insure their  
7 workers' compensation liability; and

8 WHEREAS, current problems of the state fund are  
9 detrimental to the business climate of the state.

10 THEREFORE, the Legislature of the State of Montana  
11 finds it appropriate to establish a joint select committee  
12 on workers' compensation.

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

15 NEW SECTION. Section 1. Definitions. As used in [this  
16 act], unless the context requires otherwise, the following  
17 definitions apply:

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19 workers' compensation established in [section 2].

20 (2) "State fund" means the state compensation  
21 insurance fund referred to in 39-71-2301.

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11 (1) A member of the committee shall serve until January 1,  
12 1991.

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15 NEW SECTION. Section 4. Officers -- meetings --  
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17 its membership a chairman and vice chairman.

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21 transaction of business.

22 (4) Members of the committee are entitled to  
23 compensation and expenses as provided in 5-2-302.

24 NEW SECTION. Section 5. Staff assistance -- committee  
25 support. (1) The legislative council shall provide staff

1 assistance to the committee.

2 (2) The office of the legislative auditor; the  
3 department of labor and industry; and the board of  
4 directors, the executive director, and management staff of  
5 the state fund shall assist and cooperate with the committee  
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8 to conduct the study required by [this act].

9 NEW SECTION. Section 9. Effective date. [This act] is  
10 effective on passage and approval.

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12 terminates July 1, 1991.

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ON LABOR & EMPLOYMENT  
RELATIONS

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SENATE STANDING COMMITTEE REPORT

July 11, 1989

MR. PRESIDENT:

We, your committee on Labor and Employment Relations, having had under consideration HB 62 (third reading copy -- blue), respectfully report that HB 62 be amended and as so amended be concurred in:

Sponsor: Owens (Keating)

1. Page 6, lines 12 and 13.

Strike: subsection (6) in its entirety

Insert: "(6) hire an independent consultant to audit the information and procedures used to determine the financial liabilities and revenue requirements for operation of the state fund."

2. Page 6, line 15.

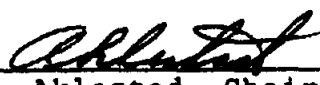
Following: "appropriated from the"

Strike: "general fund"

Insert: "workers' compensation tax account, established in 39-71-2504,"

BE CONCURRED IN AS AMENDED

Signed: \_\_\_\_\_

  
Gary C. Aklestad, Chairman

SENATE  
HB 62

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21 later than October 1, 1990, and, if appropriate, prepare  
22 legislation to implement any of these options.

23 NEW SECTION. Section 7. Powers of committee. In  
24 performing the duties described in [section 6], the  
25 committee may:

1 (1) investigate and examine any issue it determines to  
2 be pertinent to the conduct of its business;

3 (2) request assistance and information from any state  
4 agency;

5 (3) subpoena witnesses, books, records, and other  
6 documents;

7 (4) administer oaths to witnesses in any matter under  
8 examination by the committee; and

9 (5) request preparation of bills and resolutions as  
10 may be required for presentation at any meeting of the  
11 committee; AND

12 ~~(6) -- CONTRACT FOR AN INDEPENDENT ACTUARIAL AUDIT OF THE~~  
13 ~~WORKERS' COMPENSATION SYSTEM.~~

14 (6) HIRE AN INDEPENDENT CONSULTANT TO AUDIT THE  
15 INFORMATION AND PROCEDURES USED TO DETERMINE THE FINANCIAL  
16 LIABILITIES AND REVENUE REQUIREMENTS FOR OPERATION OF THE  
17 STATE FUND.

18 NEW SECTION. Section 8. Appropriation. There is  
19 appropriated from the general fund WORKERS' COMPENSATION TAX  
20 ACCOUNT, ESTABLISHED IN 39-71-2504, to the legislative  
21 council for the biennium ending June 30, 1991, the sum of  
22 ~~\$15,000~~ \$40,000 to be used by the committee on workers'  
23 compensation to conduct the study required by [this act].

24 NEW SECTION. Section 9. Effective date. [This act] is  
25 effective on passage and approval.

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1        NEW SECTION.   **Section 10.**   **Termination.**   [This   act]  
2   **terminates July 1, 1991.**

-End-