

HOUSE BILL NO. 4

INTRODUCED BY THOFT
BY REQUEST OF THE OFFICE OF BUDGET
AND PROGRAM PLANNING

IN THE HOUSE

JANUARY 3, 1992	INTRODUCED AND REFERRED TO COMMITTEE ON APPROPRIATIONS.
JANUARY 6, 1992	FIRST READING.
JANUARY 9, 1992	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
	PRINTING REPORT.
JANUARY 10, 1992	SECOND READING, DO PASS.
	ENGROSSING REPORT.
	THIRD READING, PASSED. AYES, 73; NOES, 24.
	TRANSMITTED TO SENATE.

IN THE SENATE

IN THE HOUSE

JANUARY 17, 1992 RECEIVED FROM SENATE.
SENT TO ENROLLING.
REPORTED CORRECTLY ENROLLED

1 House BILL NO. 4
2 INTRODUCED BY They
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6 A BILL FOR AN ACT ENTITLED: "AN ACT TRANSFERRING TO THE
7 GENERAL FUND \$1.5 MILLION FROM UNEMPLOYMENT INSURANCE
8 ADMINISTRATIVE FUNDS COLLECTED THROUGH STATE ASSESSMENTS;
9 AMENDING SECTIONS 39-51-404 AND 39-51-406, MCA; AND
10 PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION
11 DATE."

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

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

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

25 (a) specifies the purposes for which such money is

1 appropriated and the amounts appropriated therefor;

2 (b) limits the period within which such money may be

3 expended to a period ending not more than 2 years after the

4 date of the enactment of the appropriation law; and

5 (c) limits the amount which may be used during any

6 12-month period beginning on July 1 and ending on the next

7 June 30 to an amount which does not exceed the amount by

8 which the aggregate of the amounts credited to the account

9 of this state pursuant to section 903 of the Social Security

10 Act, as amended, during the same 12-month period and the 34

11 preceding 12-month periods exceeds the aggregate of the

12 amounts used pursuant to this section and charged against

13 the amounts credited to the account of this state during any

14 of such 35 12-month periods.

15 (2) For the purposes of this section, amounts used

16 during any such 12-month period shall be charged against

17 equivalent amounts which were first credited and which are

18 not already so charged, except that no amount used for

19 administration during any such 12-month period may be

20 charged against any amount credited during such a 12-month

21 period earlier than the 34th preceding such period. Money

22 requisitioned for the payment of expenses of administration

23 pursuant to this section shall be deposited in the

24 unemployment insurance administration account but, until

25 expended, shall remain a part of the unemployment insurance



1 fund.

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

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

24 **Section 2.** Section 39-51-406, MCA, is amended to read:
 25 **"39-51-406. Unemployment insurance administration**

1 account. (1) There is hereby created an account in the
 2 federal special revenue fund to be known as the unemployment
 3 insurance administration account. ~~All Except as provided in~~
 4 subsection (8), moneys which are deposited, appropriated, or
 5 paid into this account are hereby appropriated and made
 6 available to the department. ~~All Except as provided in~~
 7 subsection (8), moneys in the account shall be expended
 8 solely for the purpose of defraying the costs of
 9 administration of this chapter and costs of administration
 10 of such other legislation as shall be specifically delegated
 11 to the department for administration by the legislature.

12 (2) All moneys received and deposited in said account
 13 for administration expense from the United States or any
 14 agency thereof pursuant to section 302, Title III, of the
 15 Social Security Act shall be expended solely for the purpose
 16 and in the amounts found necessary by the secretary of labor
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 23 general fund for the purpose of administering this chapter;
 24 and

25 (c) all moneys, trust funds, supplies, facilities, or

1 services furnished, deposited, paid, and received from:
 2 (i) the United States or any agency thereof;
 3 (ii) this state or any agency thereof;
 4 (iii) any other state or any of its agencies;
 5 (iv) political subdivisions of the state; or
 6 (v) any other source for administrative expense and
 7 purpose.

8 (4) Notwithstanding--any--provisions--of--this--section
 9 Except as provided in subsection (8), all money
 10 requisitioned and deposited in this account pursuant to
 11 39-51-403 through 39-51-405 shall remain part of the
 12 unemployment insurance fund and shall be used only in
 13 accordance with the conditions specified in 39-51-403
 14 through 39-51-405.

15 (5) All moneys in this account shall be deposited,
 16 administered, and disbursed in the same manner and under the
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21 (6) The state treasurer shall give a separate and
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 23 his duties in connection with the unemployment insurance
 24 administration account in an amount to be fixed by the
 25 department and in a form prescribed by law or approved by

1 the attorney general. The premiums for such bond and the
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 3 unemployment insurance fund under 39-51-402 shall be paid
 4 from the money in the unemployment insurance administration
 5 account.

6 (7) Any reference to the unemployment insurance
 7 administration fund in this code shall be taken to mean the
 8 unemployment insurance administration account in the federal
 9 special revenue fund.

10 (8) On or before June 30, 1992, the department shall
 11 transfer an amount not to exceed \$1.5 million from the
 12 unemployment insurance administration account to the general
 13 fund."

14 **NEW SECTION. Section 3. Effective date -- termination.**
 15 {This act} is effective on passage and approval and
 16 terminates July 1, 1992.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0004, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

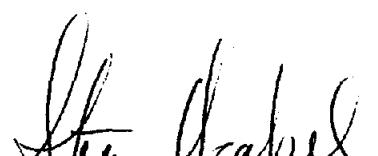
An act transferring to the general fund \$1.5 million from the unemployment insurance administrative (UI) account collected through state assessments.

FISCAL IMPACT:

HB0004 would increase funds available to the general fund by \$1.5 million and reduce the FY93 ending fund balance for the UI administrative account by \$1.59 million. Under current law, the projected FY93 ending fund balance for the UI administrative account is approximately \$3.66 million. The proposed transfer would reduce the projected FY93 ending fund balance to \$2.07 million. The timing of the proposed transfer (by June 30, 1992) would reduce interest earnings by the UI administrative account by approximately \$90,000 in the 1993 biennium.

LONG-RANGE IMPACT:

The proposed transfer would preserve sufficient amounts in the UI administrative account to fund the current level and a comparable pay plan in the 1995 biennium, with a projected FY95 ending fund balance of approximately \$338,000.


Steve Yeakel

1/7/92

STEVE YEAKEL, BUDGET DIRECTOR
Office of Budget and Program Planning

DATE


Bob Thoft

1-8-92

DATE

Fiscal Note for HB0004, as introduced

HB 4

APPROVED BY COMMITTEE
ON APPROPRIATIONS

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 22 additional bond conditioned upon the faithful performance of
 23 his duties in connection with the unemployment insurance
 24 administration account in an amount to be fixed by the
 25 department and in a form prescribed by law or approved by

1 the attorney general. The premiums for such bond and the
 2 premiums for the bond given by the treasurer for the
 3 unemployment insurance fund under 39-51-402 shall be paid
 4 from the money in the unemployment insurance administration
 5 account.

6 (7) Any reference to the unemployment insurance
 7 administration fund in this code shall be taken to mean the
 8 unemployment insurance administration account in the federal
 9 special revenue fund.

10 (8) On or before June 30, 1992, the department shall
 11 transfer an amount not to exceed \$1.5 million from the
 12 unemployment insurance administration account to the general
 13 fund."

14 NEW SECTION. Section 3. Effective date -- termination.
 15 [This act] is effective on passage and approval and
 16 terminates July 1, 1992.

-End-