

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

JANUARY 10, 1992	INTRODUCED AND REFERRED TO COMMITTEE ON FINANCE & CLAIMS.
	FIRST READING.
JANUARY 13, 1992	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
JANUARY 14, 1992	SECOND READING, CONCURRED IN.
	THIRD READING, CONCURRED IN. AYES, 31; NOES, 18.
	RETURNED TO HOUSE.

IN THE HOUSE

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

1 House BILL NO. 4
2 INTRODUCED BY Adams
3 BY REQUEST OF THE OFFICE OF BUDGET
4 AND PROGRAM PLANNING

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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."
12

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
24 which:

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~~
16 ~~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
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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
17 for the proper and efficient administration of this chapter.

18 (3) The account shall consist of:

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20 agency thereof pursuant to section 302, Title III, of the
21 Social Security Act, as amended;

22 (b) all moneys appropriated by the state from the
23 general fund for the purpose of administering this chapter;
24 and

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

services furnished, deposited, paid, and received from:

- (i) the United States or any agency thereof;
- (ii) this state or any agency thereof;
- (iii) any other state or any of its agencies;
- (iv) political subdivisions of the state; or
- (v) any other source for administrative expense and

purpose.

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

(5) All moneys in this account shall be deposited,
 administered, and disbursed in the same manner and under the
 same conditions and requirements as is provided by law for
 other accounts. Any balance in this account shall not lapse
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(6) The state treasurer shall give a separate and
 additional bond conditioned upon the faithful performance of
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the attorney general. The premiums for such bond and the
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 from the money in the unemployment insurance administration
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(7) Any reference to the unemployment insurance
 administration fund in this code shall be taken to mean the
 unemployment insurance administration account in the federal
 special revenue fund.

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

NEW SECTION. Section 3. Effective date -- termination.
 [This act] is effective on passage and approval and
 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, BUDGET DIRECTOR
Office of Budget and Program Planning

1/7/92
DATE


BOB THOFT, PRIMARY SPONSOR

1-8-92
DATE

Fiscal Note for HB0004, as introduced

HB4

APPROVED BY COMMITTEE
ON APPROPRIATIONS

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

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 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-