

HOUSE BILL NO. 526

INTRODUCED BY BRANDEWIE, B. BROWN, QUILICI, VOGEL, LYNCH,
DRISCOLL, TUNBY, BENEDICT, HIBBARD, GILBERT, JACOBSON,
MERCER, BLAYLOCK, KENNEDY, BECK, CLARK, STOVALL, ZOOK

IN THE HOUSE

FEBRUARY 8, 1993 INTRODUCED AND REFERRED TO COMMITTEE
 ON LABOR & EMPLOYMENT RELATIONS.

 FIRST READING.

FEBRUARY 13, 1993 COMMITTEE RECOMMEND BILL
 DO PASS AS AMENDED. REPORT ADOPTED.

FEBRUARY 15, 1993 PRINTING REPORT.

 SECOND READING, DO PASS AS AMENDED.

FEBRUARY 16, 1993 ENGROSSING REPORT.

FEBRUARY 17, 1993 THIRD READING, PASSED.
 AYES, 87; NOES, 12.

FEBRUARY 18, 1993 TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 20, 1993 INTRODUCED AND REFERRED TO COMMITTEE
 ON LABOR & EMPLOYMENT RELATIONS.

 FIRST READING.

MARCH 10, 1993 COMMITTEE RECOMMEND BILL BE
 CONCURRED IN AS AMENDED. REPORT
 ADOPTED.

MARCH 11, 1993 ON MOTION, CONSIDERATION PASSED
 FOR THE DAY.

MARCH 12, 1993 SECOND READING, CONCURRED IN AS
 AMENDED.

MARCH 13, 1993 THIRD READING, CONCURRED IN.
 AYES, 47; NOES, 0.

 RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

MARCH 31, 1993

SECOND READING, AMENDMENTS
CONCURRED IN.

APRIL 2, 1993

THIRD READING, AMENDMENTS
CONCURRED IN.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

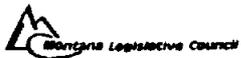
1 *House* BILL NO. *526* *Lynch*
 2 INTRODUCED BY *Benedict* *Boyer* *Boyer* *Boyer* *Boyer* *Boyer*
 3 *Boyer* *Boyer* *Boyer* *Boyer* *Boyer* *Boyer*
 4 *Boyer* *Boyer* *Boyer* *Boyer* *Boyer* *Boyer*
 5 DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES AND THE
 6 DEPARTMENT OF REVENUE TO PROVIDE CERTAIN INFORMATION TO THE
 7 DEPARTMENT OF LABOR AND INDUSTRY FOR THE PURPOSE OF
 8 PREVENTING FRAUD AND ABUSE IN THE UNEMPLOYMENT COMPENSATION
 9 AND WORKERS' COMPENSATION PROGRAMS; AND AMENDING SECTIONS
 10 15-30-303, 53-2-105, AND 53-3-111, MCA."

11
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
 13 NEW SECTION. **Section 1.** Department to share
 14 eligibility data. (1) The department shall make available to
 15 the unemployment compensation program of the department of
 16 labor and industry all information contained in its files
 17 and records pertaining to eligibility of persons for
 18 medicaid, aid to families with dependent children, and food
 19 stamps. The information made available must include
 20 information on the amount and source of an applicant's
 21 income. The information received from the department must be
 22 used by the department of labor and industry for the purpose
 23 of determining fraud, abuse, or eligibility for benefits
 24 under the unemployment compensation program of the state and
 25 for no other purpose.

1 (2) The department shall make available to the
 2 unemployment compensation and the workers' compensation
 3 programs of the department of labor and industry all
 4 information contained in its files and records pertaining to
 5 eligibility of persons for low-income energy assistance,
 6 weatherization, and general relief. The information made
 7 available must include information on the amount and source
 8 of an applicant's income. The information received from the
 9 department must be used by the department of labor and
 10 industry for the purpose of determining fraud, abuse, or
 11 eligibility for benefits under the unemployment compensation
 12 and workers' compensation programs of the state.

13 **Section 2.** Section 53-2-105, MCA, is amended to read:
 14 "53-2-105. Misuse of public assistance information
 15 unlawful. It shall be Except as provided in [section 1], it
 16 is unlawful for any person, body, association, firm,
 17 corporation, or other agency to solicit, disclose, receive,
 18 make use of, or to authorize, knowingly permit, participate
 19 in, or acquiesce in the use of any lists or names for
 20 commercial or political purposes of any nature or for any
 21 purpose not directly connected with the administration of
 22 public assistance."

23 **Section 3.** Section 53-3-111, MCA, is amended to read:
 24 "53-3-111. Confidentiality. (1) Any Except as provided
 25 in [section 1], personal information provided to or obtained



1 by the county welfare department or the department for the
2 purposes of this chapter is confidential.

3 (2) Disclosure Except as provided in [section 1],
4 disclosure of confidential information concerning applicants
5 for general relief is restricted to purposes directly
6 connected with the administration of programs administered
7 by the department except as otherwise provided in this
8 section.

9 (3) Confidential information may be released upon
10 written consent of the applicant.

11 (4) Confidential information concerning an applicant
12 may be released without prior consent if an emergency
13 situation necessitates the release. The applicant must be
14 informed of such the release as soon as practicable.

15 (5) Confidential information may be released without
16 notice or consent for the purpose of fraud investigation,
17 collection of child support, the purposes of [section 1],
18 and third-party medical recovery.

19 (6) Confidential information may be released if so
20 directed by a court order."

21 **Section 4.** Section 15-30-303, MCA, is amended to read:

22 "15-30-303. Confidentiality of tax records. (1) Except
23 in accordance with proper judicial order or as otherwise
24 provided by law, it is unlawful for the department or any
25 deputy, assistant, agent, clerk, or other officer or

1 employee to divulge or make known in any manner the amount
2 of income or any particulars set forth or disclosed in any
3 report or return required under this chapter or any other
4 information secured in the administration of this chapter.
5 It is also unlawful to divulge or make known in any manner
6 any federal return or federal return information disclosed
7 on any return or report required by rule of the department
8 or under this chapter.

9 (2) The officers charged with the custody of such the
10 reports and returns ~~shall~~ may not be required to produce any
11 of them or evidence of anything contained in them in any
12 action or proceeding in any court, except in any action or
13 proceeding to which the department is a party under the
14 provisions of this chapter or any other taxing act or on
15 behalf of any party to any action or proceedings under the
16 provisions of this chapter or such the other act when the
17 reports or facts shown thereby by the reports are directly
18 involved in such the action or proceedings, in either of
19 which events the court may require the production of and may
20 admit in evidence so much of said the reports or of the
21 facts shown thereby by the reports as are pertinent to the
22 action or proceedings and no more.

23 (3) ~~Nothing--herein--shall~~ This section may not be
24 construed to prohibit:

25 (a) the delivery to a taxpayer or his--duty the

1 taxpayer's authorized representative of a certified copy of
 2 any return or report filed in connection with his the
 3 taxpayer's tax;

4 (b) the publication of statistics so classified as to
 5 prevent the identification of particular reports or returns
 6 and the items thereof of particular reports or returns; or

7 (c) the inspection by the attorney general or other
 8 legal representative of the state of the report or return of
 9 any taxpayer who shall bring action to set aside or review
 10 the tax based thereon on the report or return or against
 11 whom an action or proceeding has been instituted in
 12 accordance with the provisions of 15-30-311 and 15-30-322.

13 (4) Reports and returns shall must be preserved for 3
 14 years and thereafter until the department orders them to be
 15 destroyed.

16 (5) Any offense against subsections (1) through (4) of
 17 ~~this--section~~ shall be punished by a fine not exceeding
 18 \$1,000 or by imprisonment in the county jail not exceeding 1
 19 year, or both, at the discretion of the court, and if the
 20 offender be is an officer or employee of the state, he the
 21 offender shall be dismissed from office and be is incapable
 22 of holding any public office in this state for a period of 1
 23 year thereafter.

24 (6) Notwithstanding the provisions of this section, the
 25 department may permit the commissioner of internal revenue

1 of the United States or the proper officer of any state
 2 imposing a tax upon the incomes of individuals or the
 3 authorized representative of either such officer to inspect
 4 the return of income of any individual or may furnish to
 5 such the officer or his the officer's authorized
 6 representative an abstract of the return of income of any
 7 individual or supply him the officer with information
 8 concerning any item of income contained in any return or
 9 disclosed by the report of any investigation of the income
 10 or return of income of any individual, but such the
 11 permission shall must be granted or such the information
 12 furnished to such the officer or his the officer's
 13 representative only if the statutes of the United States or
 14 of such the other state, as the case may be, grant
 15 substantially similar privileges to the proper officer of
 16 this state charged with the administration of this chapter.

17 (7) Further, notwithstanding any of the provisions of
 18 this section, the department shall furnish:

19 (a) to the department of justice all information
 20 necessary to identify those persons qualifying for the
 21 additional exemption for blindness pursuant to 15-30-112(4),
 22 for the purpose of enabling the department of justice to
 23 administer the provisions of 61-5-105;

24 (b) to the department of social and rehabilitation
 25 services information acquired under 15-30-301, pertaining to

1 an applicant for public assistance, reasonably necessary for
2 the prevention and detection of public assistance fraud and
3 abuse, provided notice to the applicant has been given;

4 (c) to the department of labor and industry for the
5 purpose of prevention and detection of fraud and abuse in
6 and eligibility for benefits under the unemployment
7 compensation and workers' compensation programs;

8 ~~(c)~~(d) to the department of fish, wildlife, and parks
9 specific information that is available from income tax
10 returns and required under 87-2-102 to establish the
11 residency requirements of an applicant for hunting and
12 fishing licenses; and

13 ~~(d)~~(e) to the board of regents information required
14 under 20-26-1111."

15 **NEW SECTION. Section 5. Codification instruction.**
16 [Section 1] is intended to be codified as an integral part
17 of Title 53, chapter 2, part 2, and the provisions of Title
18 53, chapter 2, part 2, apply to [section 1].

-End-

Fiscal Note Request, HB0526, as introduced
 Form BD-15 page 2
 (continued)

<u>DOR</u>	<u>FY '94</u>			<u>FY '95</u>		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
General Fund	\$ 1,046,610	\$1,049,568	\$2,958	\$ 1,046,902	\$1,047,412	\$ 510
State Special	85,313	85,313	0	86,505	86,505	0
Federal	<u>543,999</u>	<u>543,999</u>	<u>0</u>	<u>542,696</u>	<u>542,696</u>	<u>0</u>
Total	\$ 1,675,922	\$1,678,880	\$2,958	\$ 1,676,103	\$1,676,613	\$ 510

Revenues:

As noted in the assumptions, it is not possible at this time to estimate how much DOLI will recover in fraudulent payments due to the changes proposed by this bill.

Net Impact: Not able to determine for all departments at this time.

TECHNICAL NOTES: (SRS) Where federal regulations prohibit divulging confidential information, SRS will be unable to share that information. The only information that is currently allowed to be released is income and resource data.

APPROVED BY COMMITTEE
ON LABOR & EMPLOYMENT
RELATIONS

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INTRODUCED BY BRANDEWIE, B. BROWN, QUILICI, VOGEL, LYNCH,
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DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES AND THE
DEPARTMENT OF REVENUE TO PROVIDE CERTAIN INFORMATION TO THE
DEPARTMENT OF LABOR AND INDUSTRY FOR THE PURPOSE OF
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stamps. The information made available must include
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income. The information received from the department must be
used by the department of labor and industry for the purpose
of determining fraud, abuse, or eligibility for benefits

under the unemployment compensation program of the state and
for no other purpose.

(2) The department shall make available to the
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corporation, or other agency to solicit, disclose, receive,
make use of, or to authorize, knowingly permit, participate
in, or acquiesce in the use of any lists or names for
commercial or political purposes of any nature or for any
purpose not directly connected with the administration of
public assistance."

Section 3. Section 53-3-111, MCA, is amended to read:

1 "53-3-111. Confidentiality. (1) Any Except as provided
2 in [section 1], personal information provided to or obtained
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5 (2) Disclosure Except as provided in [section 1],
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7 for general relief is restricted to purposes directly
8 connected with the administration of programs administered
9 by the department except as otherwise provided in this
10 section.

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12 written consent of the applicant.

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15 situation necessitates the release. The applicant must be
16 informed of such the release as soon as practicable.

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19 collection of child support, the purposes of [section 1],
20 and third-party medical recovery.

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3 employee to divulge or make known in any manner the amount
4 of income or any particulars set forth or disclosed in any
5 report or return required under this chapter or any other
6 information secured in the administration of this chapter.
7 It is also unlawful to divulge or make known in any manner
8 any federal return or federal return information disclosed
9 on any return or report required by rule of the department
10 or under this chapter.

11 (2) The officers charged with the custody of such the
12 reports and returns ~~shall~~ may not be required to produce any
13 of them or evidence of anything contained in them in any
14 action or proceeding in any court, except in any action or
15 proceeding to which the department is a party under the
16 provisions of this chapter or any other taxing act or on
17 behalf of any party to any action or proceedings under the
18 provisions of this chapter or such the other act when the
19 reports or facts shown thereby by the reports are directly
20 involved in such the action or proceedings, in either of
21 which events the court may require the production of and may
22 admit in evidence so much of said the reports or of the
23 facts shown thereby by the reports as are pertinent to the
24 action or proceedings and no more.

25 (3) ~~Nothing herein shall~~ This section may not be

1 construed to prohibit:

2 (a) the delivery to a taxpayer or ~~his~~ the
3 taxpayer's authorized representative of a certified copy of
4 any return or report filed in connection with ~~his~~ the
5 taxpayer's tax;

6 (b) the publication of statistics ~~so~~ classified as to
7 prevent the identification of particular reports or returns
8 and the ~~items thereof~~ of particular reports or returns; or

9 (c) the inspection by the attorney general or other
10 legal representative of the state of the report or return of
11 any taxpayer who shall bring action to set aside or review
12 the tax based ~~thereon~~ on the report or return or against
13 whom an action or proceeding has been instituted in
14 accordance with the provisions of 15-30-311 and 15-30-322.

15 (4) Reports and returns ~~shall~~ must be preserved for 3
16 years and thereafter until the department orders them to be
17 destroyed.

18 (5) Any offense against subsections (1) through (4) of
19 ~~this--section~~ shall be punished by a fine not exceeding
20 \$1,000 or by imprisonment in the county jail not exceeding 1
21 year, or both, at the discretion of the court, and if the
22 offender be is an officer or employee of the state, ~~he~~ the
23 offender shall be dismissed from office and be is incapable
24 of holding any public office in this state for a period of 1
25 year thereafter.

1 (6) Notwithstanding the provisions of this section, the
2 department may permit the commissioner of internal revenue
3 of the United States or the proper officer of any state
4 imposing a tax upon the incomes of individuals or the
5 authorized representative of either ~~such~~ officer to inspect
6 the return of income of any individual or may furnish to
7 ~~such~~ the officer or ~~his~~ the officer's authorized
8 representative an abstract of the return of income of any
9 individual or supply ~~him~~ the officer with information
10 concerning any item of income contained in any return or
11 disclosed by the report of any investigation of the income
12 or return of income of any individual, but ~~such~~ the
13 permission ~~shall~~ must be granted or ~~such~~ the information
14 furnished to ~~such~~ the officer or ~~his~~ the officer's
15 representative only if the statutes of the United States or
16 of ~~such~~ the other state, as the case may be, grant
17 substantially similar privileges to the proper officer of
18 this state charged with the administration of this chapter.

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22 necessary to identify those persons qualifying for the
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24 for the purpose of enabling the department of justice to
25 administer the provisions of 61-5-105;

1 (b) to the department of social and rehabilitation
2 services information acquired under 15-30-301, pertaining to
3 an applicant for public assistance, reasonably necessary for
4 the prevention and detection of public assistance fraud and
5 abuse, provided notice to the applicant has been given;

6 (c) to the department of labor and industry for the
7 purpose of prevention and detection of fraud and abuse in
8 and eligibility for benefits under the unemployment
9 compensation and workers' compensation programs INFORMATION
10 NECESSARY TO IDENTIFY A TAXPAYER AS AN EMPLOYEE, AS AN
11 INDEPENDENT CONTRACTOR, OR AS SELF-EMPLOYED;

12 ~~(e)~~(d) to the department of fish, wildlife, and parks
13 specific information that is available from income tax
14 returns and required under 87-2-102 to establish the
15 residency requirements of an applicant for hunting and
16 fishing licenses; and

17 ~~(d)~~(e) to the board of regents information required
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22 53, chapter 2, part 2, apply to [section 1].

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6 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE
7 DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES AND THE
8 DEPARTMENT OF REVENUE TO PROVIDE CERTAIN INFORMATION TO THE
9 DEPARTMENT OF LABOR AND INDUSTRY FOR THE PURPOSE OF
10 PREVENTING FRAUD AND ABUSE IN THE UNEMPLOYMENT COMPENSATION
11 AND WORKERS' COMPENSATION PROGRAMS; AUTHORIZING THE
12 DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES TO REQUEST
13 INFORMATION FROM THE DEPARTMENT OF LABOR AND INDUSTRY AND
14 THE DEPARTMENT OF REVENUE; AND AMENDING SECTIONS 15-30-303,
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13 of an applicant's income. The information received from the
14 department must be used by the department of labor and
15 industry for the purpose of determining fraud, abuse, or
16 eligibility for benefits under the unemployment compensation
17 and workers' compensation programs of the state.

18 (3) (A) SUBJECT TO FEDERAL RESTRICTIONS, THE DEPARTMENT
19 MAY REQUEST INFORMATION FROM:

20 (I) THE DEPARTMENT OF LABOR AND INDUSTRY PERTAINING TO
21 UNEMPLOYMENT, WORKERS' COMPENSATION, AND OCCUPATIONAL
22 DISEASE BENEFITS; AND

23 (II) THE DEPARTMENT OF REVENUE PERTAINING TO INCOME AS
24 PROVIDED IN 15-30-303(7)(B).

25 (B) THE INFORMATION MUST BE USED BY THE DEPARTMENT FOR

1 THE PURPOSE OF DETERMINING FRAUD, ABUSE, OR ELIGIBILITY FOR
2 BENEFITS.

3 **Section 2.** Section 53-2-105, MCA, is amended to read:

4 "53-2-105. Misuse of public assistance information
5 ~~is~~ unlawful. It shall be Except as provided in [section 1], it
6 is unlawful for any person, body, association, firm,
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17 purposes of this chapter is confidential.

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18 report or return required under this chapter or any other
19 information secured in the administration of this chapter.
20 It is also unlawful to divulge or make known in any manner
21 any federal return or federal return information disclosed
22 on any return or report required by rule of the department
23 or under this chapter.

24 (2) The officers charged with the custody of such the
25 reports and returns shall may not be required to produce any

1 of them or evidence of anything contained in them in any
 2 action or proceeding in any court, except in any action or
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 4 provisions of this chapter or any other taxing act or on
 5 behalf of any party to any action or proceedings under the
 6 provisions of this chapter or such the other act when the
 7 reports or facts shown thereby by the reports are directly
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1 whom an action or proceeding has been instituted in
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 15 services information acquired under 15-30-301, pertaining to
 16 an applicant for public assistance, reasonably necessary for
 17 the prevention and detection of public assistance fraud and
 18 abuse, provided notice to the applicant has been given;

19 (c) to the department of labor and industry for the
 20 purpose of prevention and detection of fraud and abuse in
 21 and eligibility for benefits under the unemployment
 22 compensation and workers' compensation programs INFORMATION
 23 NECESSARY TO IDENTIFY A TAXPAYER AS AN EMPLOYEE, AS AN
 24 INDEPENDENT CONTRACTOR, OR AS SELF-EMPLOYED;

25 (e)(d) to the department of fish, wildlife, and parks

1 specific information that is available from income tax
 2 returns and required under 87-2-102 to establish the
 3 residency requirements of an applicant for hunting and
 4 fishing licenses; and

5 (d)(e) to the board of regents information required
 6 under 20-26-1111."

7 NEW SECTION. Section 5. Codification instruction.
 8 [Section 1] is intended to be codified as an integral part
 9 of Title 53, chapter 2, part 2, and the provisions of Title
 10 53, chapter 2, part 2, apply to [section 1].

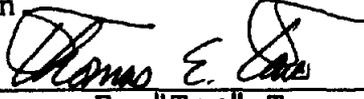
-End-

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
March 10, 1993

MR. PRESIDENT:

We, your committee on Labor and Employment Relations having had under consideration House Bill No. 526 (first reading copy -- blue), respectfully report that House Bill No. 526 be amended as follows and as so amended be concurred in

Signed: 
Senator Thomas E. "Tom" Towe, Chair

That such amendments read:

1. Title, line 13.

Following: "INDUSTRY"

Strike: "AND"

Insert: "; AUTHORIZING THE DEPARTMENT OF LABOR AND INDUSTRY TO REQUEST CERTAIN TAX INFORMATION FROM "

2. Page 2, lines 19 and 20.

Following: "FROM" on line 19

Strike: ":" on line 19 through "(I)" on line 20

3. Page 2, lines 22 and 23.

Following: "BENEFITS" on line 22

Strike: "; AND" on line 22 through "(II)" on line 23

Insert: ". If the department of labor and industry discovers evidence relating to fraud or abuse for unemployment, workers' compensation, or occupational benefits, the department of labor and industry may request information from"

4. Page 2, line 24.

Following: "15-30-303"

Strike: "(7)(B)"

Insert: "(7)(C)"

5. Page 7, line 23.

Strike: "NECESSARY TO IDENTIFY"

Insert: "on whether"

6. Page 7, lines 23 and 24.

Following: "TAXPAYER" on line 23

Strike: "AS"

Insert: "who is the subject of an ongoing investigation by the department of labor and industry is"

Following: "EMPLOYEE," on line 23

Strike: "AS"

Following: "OR" on line 24

Strike: "AS"

-END-

SENATE

HB 526

mj Amd. Coord.
mj Sec. of Senate

AKlestad
Senator Carrying Bill

541008SC.Sma

SENATE COMMITTEE OF THE WHOLE AMENDMENT

March 12, 1993 11:51 am

Mr. Chairman: I move to amend House Bill No. 526 (second reading copy -- blue).

ADOPT

REJECT

Signed: _____

Sue Bartlett
Senator Sue Bartlett

That such amendments read:

1. Page 6, line 14.

Following: line 13

Insert: "(6) This section may not be construed to prohibit the department from providing information from employers' payroll withholding reports to:

(a) the department of labor and industry to prevent and detect fraud and abuse under the unemployment compensation program; or

(b) the state fund to prevent and detect fraud and abuse under the workers' compensation program."

Renumber: subsequent subsections

-END-

SENATE

HB 526

r561150CW.San

APN Amd. Coord.

1 HOUSE BILL NO. 526

2 INTRODUCED BY BRANDEWIE, B. BROWN, QUILICI, VOGEL, LYNCH,
3 DRISCOLL, TUNBY, BENEDICT, HIBBARD, GILBERT, JACOBSON,
4 MERCER, BLAYLOCK, KENNEDY, BECK, CLARK, STOVALL, ZOOK

5
6 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THE
7 DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES AND THE
8 DEPARTMENT OF REVENUE TO PROVIDE CERTAIN INFORMATION TO THE
9 DEPARTMENT OF LABOR AND INDUSTRY FOR THE PURPOSE OF
10 PREVENTING FRAUD AND ABUSE IN THE UNEMPLOYMENT COMPENSATION
11 AND WORKERS' COMPENSATION PROGRAMS; AUTHORIZING THE
12 DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES TO REQUEST
13 INFORMATION FROM THE DEPARTMENT OF LABOR AND INDUSTRY AND;
14 AUTHORIZING THE DEPARTMENT OF LABOR AND INDUSTRY TO REQUEST
15 CERTAIN TAX INFORMATION FROM THE DEPARTMENT OF REVENUE; AND
16 AMENDING SECTIONS 15-30-303, 53-2-105, AND 53-3-111, MCA."

17
18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

19 NEW SECTION. Section 1. Department to share
20 eligibility data. (1) The department shall make available to
21 the unemployment compensation program of the department of
22 labor and industry all information contained in its files
23 and records pertaining to eligibility of persons for
24 medicaid, aid to families with dependent children, and food
25 stamps. The information made available must include

1 information on the amount and source of an applicant's
2 income. The information received from the department must be
3 used by the department of labor and industry for the purpose
4 of determining fraud, abuse, or eligibility for benefits
5 under the unemployment compensation program of the state and
6 for no other purpose.

7 (2) The department shall make available to the
8 unemployment compensation and the workers' compensation
9 programs of the department of labor and industry all
10 information contained in its files and records pertaining to
11 eligibility of persons for low-income energy assistance,
12 weatherization, and general relief. The information made
13 available must include information on the amount and source
14 of an applicant's income. The information received from the
15 department must be used by the department of labor and
16 industry for the purpose of determining fraud, abuse, or
17 eligibility for benefits under the unemployment compensation
18 and workers' compensation programs of the state.

19 (3) (A) SUBJECT TO FEDERAL RESTRICTIONS, THE DEPARTMENT
20 MAY REQUEST INFORMATION FROM:

21 (i) THE DEPARTMENT OF LABOR AND INDUSTRY PERTAINING TO
22 UNEMPLOYMENT, WORKERS' COMPENSATION, AND OCCUPATIONAL
23 DISEASE BENEFITS; AND

24 (ii) IF THE DEPARTMENT OF LABOR AND INDUSTRY DISCOVERS
25 EVIDENCE RELATING TO FRAUD OR ABUSE FOR UNEMPLOYMENT,

1 WORKERS' COMPENSATION, OR OCCUPATIONAL BENEFITS, THE
2 DEPARTMENT OF LABOR AND INDUSTRY MAY REQUEST INFORMATION
3 FROM THE DEPARTMENT OF REVENUE PERTAINING TO INCOME AS
4 PROVIDED IN 15-30-303(7)(B)(7)(C).

5 (B) THE INFORMATION MUST BE USED BY THE DEPARTMENT FOR
6 THE PURPOSE OF DETERMINING FRAUD, ABUSE, OR ELIGIBILITY FOR
7 BENEFITS.

8 **Section 2.** Section 53-2-105, MCA, is amended to read:
9 "53-2-105. Misuse of public assistance information
10 unlawful. ~~It shall be~~ Except as provided in [section 1], it
11 is unlawful for any person, body, association, firm,
12 corporation, or other agency to solicit, disclose, receive,
13 make use of, or to authorize, knowingly permit, participate
14 in, or acquiesce in the use of any lists or names for
15 commercial or political purposes of any nature or for any
16 purpose not directly connected with the administration of
17 public assistance."

18 **Section 3.** Section 53-3-111, MCA, is amended to read:
19 "53-3-111. Confidentiality. (1) Any Except as provided
20 in [section 1], personal information provided to or obtained
21 by the county welfare department or the department for the
22 purposes of this chapter is confidential.

23 (2) Disclosure Except as provided in [section 1],
24 disclosure of confidential information concerning applicants
25 for general relief is restricted to purposes directly

1 connected with the administration of programs administered
2 by the department except as otherwise provided in this
3 section.

4 (3) Confidential information may be released upon
5 written consent of the applicant.

6 (4) Confidential information concerning an applicant
7 may be released without prior consent if an emergency
8 situation necessitates the release. The applicant must be
9 informed of ~~such~~ the release as soon as practicable.

10 (5) Confidential information may be released without
11 notice or consent for the purpose of fraud investigation,
12 collection of child support, the purposes of [section 1],
13 and third-party medical recovery.

14 (6) Confidential information may be released if so
15 directed by a court order."

16 **Section 4.** Section 15-30-303, MCA, is amended to read:
17 "15-30-303. Confidentiality of tax records. (1) Except
18 in accordance with proper judicial order or as otherwise
19 provided by law, it is unlawful for the department or any
20 deputy, assistant, agent, clerk, or other officer or
21 employee to divulge or make known in any manner the amount
22 of income or any particulars set forth or disclosed in any
23 report or return required under this chapter or any other
24 information secured in the administration of this chapter.
25 It is also unlawful to divulge or make known in any manner

1 any federal return or federal return information disclosed
2 on any return or report required by rule of the department
3 or under this chapter.

4 (2) The officers charged with the custody of such the
5 reports and returns ~~shall~~ may not be required to produce any
6 of them or evidence of anything contained in them in any
7 action or proceeding in any court, except in any action or
8 proceeding to which the department is a party under the
9 provisions of this chapter or any other taxing act or on
10 behalf of any party to any action or proceedings under the
11 provisions of this chapter or such the other act when the
12 reports or facts shown thereby by the reports are directly
13 involved in such the action or proceedings, in either of
14 which events the court may require the production of and may
15 admit in evidence so much of said the reports or of the
16 facts shown thereby by the reports as are pertinent to the
17 action or proceedings and no more.

18 (3) ~~Nothing--herein--shall~~ This section may not be
19 construed to prohibit:

20 (a) the delivery to a taxpayer or ~~his--duly~~ the
21 taxpayer's authorized representative of a certified copy of
22 any return or report filed in connection with his the
23 taxpayer's tax;

24 (b) the publication of statistics so classified as to
25 prevent the identification of particular reports or returns

1 and the items thereof of particular reports or returns; or

2 (c) the inspection by the attorney general or other
3 legal representative of the state of the report or return of
4 any taxpayer who shall bring action to set aside or review
5 the tax based thereon on the report or return or against
6 whom an action or proceeding has been instituted in
7 accordance with the provisions of 15-30-311 and 15-30-322.

8 (4) Reports and returns ~~shall~~ must be preserved for 3
9 years and thereafter until the department orders them to be
10 destroyed.

11 (5) Any offense against subsections (1) through (4) of
12 ~~this-section~~ shall be punished by a fine not exceeding
13 \$1,000 or by imprisonment in the county jail not exceeding 1
14 year, or both, at the discretion of the court, and if the
15 offender be is an officer or employee of the state, he the
16 offender shall be dismissed from office and be is incapable
17 of holding any public office in this state for a period of 1
18 year thereafter.

19 (6) THIS SECTION MAY NOT BE CONSTRUED TO PROHIBIT THE
20 DEPARTMENT FROM PROVIDING INFORMATION FROM EMPLOYERS'
21 PAYROLL WITHHOLDING REPORTS TO:

22 (A) THE DEPARTMENT OF LABOR AND INDUSTRY TO PREVENT AND
23 DETECT FRAUD AND ABUSE UNDER THE UNEMPLOYMENT COMPENSATION
24 PROGRAM; OR

25 (B) THE STATE FUND TO PREVENT AND DETECT FRAUD AND

ABUSE UNDER THE WORKERS' COMPENSATION PROGRAM.

{6}(7) Notwithstanding the provisions of this section, the department may permit the commissioner of internal revenue of the United States or the proper officer of any state imposing a tax upon the incomes of individuals or the authorized representative of either such officer to inspect the return of income of any individual or may furnish to such the officer or his the officer's authorized representative an abstract of the return of income of any individual or supply him the officer with information concerning any item of income contained in any return or disclosed by the report of any investigation of the income or return of income of any individual, but such the permission shall must be granted or such the information furnished to such the officer or his the officer's representative only if the statutes of the United States or of such the other state, as the case may be, grant substantially similar privileges to the proper officer of this state charged with the administration of this chapter.

{7}(8) Further, notwithstanding any of the provisions of this section, the department shall furnish:

(a) to the department of justice all information necessary to identify those persons qualifying for the additional exemption for blindness pursuant to 15-30-112(4), for the purpose of enabling the department of justice to

administer the provisions of 61-5-105;

(b) to the department of social and rehabilitation services information acquired under 15-30-301, pertaining to an applicant for public assistance, reasonably necessary for the prevention and detection of public assistance fraud and abuse, provided notice to the applicant has been given;

{c} to the department of labor and industry for the purpose of prevention and detection of fraud and abuse in and eligibility for benefits under the unemployment compensation and workers' compensation programs INFORMATION NECESSARY TO IDENTIFY ON WHETHER A TAXPAYER AS WHO IS THE SUBJECT OF AN ONGOING INVESTIGATION BY THE DEPARTMENT OF LABOR AND INDUSTRY IS AN EMPLOYEE, AS AN INDEPENDENT CONTRACTOR, OR AS SELF-EMPLOYED;

{c}(d) to the department of fish, wildlife, and parks specific information that is available from income tax returns and required under 87-2-102 to establish the residency requirements of an applicant for hunting and fishing licenses; and

{d}(e) to the board of regents information required under 20-26-1111."

NEW SECTION. Section 5. Codification instruction.

[Section 1] is intended to be codified as an integral part of Title 53, chapter 2, part 2, and the provisions of Title 53, chapter 2, part 2, apply to [section 1].

HB 0526/04

-End-