

1

HOUSE BILL NO. 367

2

INTRODUCED BY E. BUTTREY, R. MARSHALL

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING WORKERS' COMPENSATION LAWS RELATING TO
5 TRANSPORTATION; PROVIDING THAT WHETHER AN EMPLOYER FURNISHES TRANSPORTATION OR
6 THE EMPLOYEE RECEIVES CERTAIN REIMBURSEMENT FROM THE EMPLOYER IS NOT DISPOSITIVE
7 OF WHETHER THE EMPLOYEE IS COVERED FOR WORKERS' COMPENSATION INSURANCE;
8 AMENDING SECTION 39-71-407, MCA; AND PROVIDING AN APPLICABILITY DATE."

9

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

11

12 **Section 1.** Section 39-71-407, MCA, is amended to read:

13 **"39-71-407. (Temporary) Liability of insurers -- limitations.** (1) For workers' compensation injuries,
14 each insurer is liable for the payment of compensation, in the manner and to the extent provided in this section,
15 to an employee of an employer covered under plan No. 1, plan No. 2, and the state fund under plan No. 3 that it
16 insures who receives an injury arising out of and in the course of employment or, in the case of death from the
17 injury, to the employee's beneficiaries, if any.

18 (2) An injury does not arise out of and in the course of employment when the employee is:

19 (a) on a paid or unpaid break, is not at a worksite of the employer, and is not performing any
20 specific tasks for the employer during the break; or

21 (b) engaged in an unpaid social or recreational activity, regardless of whether the employer pays
22 for any portion of the activity or whether the activity occurs at the worksite of the employer. The exclusion from
23 coverage of this subsection (2)(b) does not apply to an employee who, at the time of injury, is on paid time
24 while participating in a social or recreational activity and whose presence at the activity is required or requested
25 by the employer. For the purposes of this subsection (2)(b):

26 (i) "requested" means the employer asked the employee to assume duties for the activity so that
27 the employee's presence is not completely voluntary and optional and the injury occurred in the performance of
28 those duties; and

6 (i) a claimed injury has occurred; or

7 (ii) a claimed injury has occurred and aggravated a preexisting condition.

8 (b) Proof that it was medically possible that a claimed injury occurred or that the claimed injury
9 aggravated a preexisting condition is not sufficient to establish liability.

10 (c) Objective medical findings are sufficient for a presumptive occupational disease as defined in
11 39-71-1401 but may be overcome by a preponderance of the evidence.

14 (i) the employer furnishes the transportation or the employee receives reimbursement from the
15 employer for costs of travel, gas, oil, or lodging as a part of the employee's benefits or employment agreement
16 and the travel is necessitated by and on behalf of the employer as an integral part or condition of the
17 employment; or

18 (ii) the travel is required by the employer as part of the employee's job duties.

19 (b) A payment made to an employee under a collective bargaining agreement, personnel policy
20 manual, or employee handbook or any other document provided to the employee that is not wages but is
21 designated as an incentive to work at a particular jobsite is not a reimbursement for the costs of travel, gas, or
22 lodging, and the employee is not covered under this chapter while traveling.

23 (c) As provided in this subsection (4), whether the employer furnishes the transportation or the
24 employee receives reimbursement for costs of travel, gas, oil, or lodging is not dispositive of whether the
25 employee is covered by this chapter.

26 (5) (a) Except as provided in subsection (6), an employee is not eligible for benefits otherwise
27 payable under this chapter if the employee's use of alcohol or drugs not prescribed by a physician is the major
28 contributing cause of the accident.

6 (6) (a) An employee who has received written certification, as defined in 16-12-502, from a
7 physician for the use of marijuana for a debilitating medical condition and who is otherwise eligible for benefits
8 payable under this chapter is subject to the limitations of subsections (6)(b) through (6)(d).

12 (c) Nothing in this chapter may be construed to require an insurer to reimburse any person for
13 costs associated with the use of marijuana for a debilitating medical condition, as defined in 16-12-102.

14 (d) In an accepted liability claim, the benefits payable under this chapter may not be increased or
15 enhanced due to a worker's use of marijuana for a debilitating medical condition, as defined in 16-12-102. An
16 insurer remains liable for those benefits that the worker would qualify for absent the worker's use of marijuana
17 for a debilitating medical condition.

18 (7) The provisions of subsection (5) do not apply if the employer had knowledge of and failed to
19 attempt to stop the employee's use of alcohol or drugs not prescribed by a physician. This subsection (7) does
20 not apply to the use of marijuana for a debilitating medical condition because marijuana is not a prescribed
21 drug.

22 (8) If there is no dispute that an insurer is liable for an injury but there is a liability dispute between
23 two or more insurers, the insurer for the most recently filed claim shall pay benefits until that insurer proves that
24 another insurer is responsible for paying benefits or until another insurer agrees to pay benefits. If it is later
25 proven that the insurer for the most recently filed claim is not responsible for paying benefits, that insurer must
26 receive reimbursement for benefits paid to the claimant from the insurer proven to be responsible.

27 (9) If a claimant who has reached maximum healing suffers a subsequent nonwork-related injury to
28 the same part of the body, the workers' compensation insurer is not liable for any compensation or medical

1 benefits caused by the subsequent nonwork-related injury.

2 (10) Except for cases of presumptive occupational disease as provided in 39-71-1401 and 39-71-
3 1402, an employee is not eligible for benefits payable under this chapter unless the entitlement to benefits is
4 established by objective medical findings that contain sufficient factual and historical information concerning the
5 relationship of the worker's condition to the original injury.

6 (11) (a) For occupational diseases, every employer enrolled under plan No. 1, every insurer under
7 plan No. 2, or the state fund under plan No. 3 is liable for the payment of compensation, in the manner and to
8 the extent provided in this chapter, to an employee of an employer covered under plan No. 1, plan No. 2, or the
9 state fund under plan No. 3 if the employee is diagnosed with a compensable occupational disease.

10 (b) The provisions of subsection (11)(a) apply to presumptive occupational disease if the employee
11 is diagnosed and meets the conditions of 39-71-1401 and 39-71-1402.

12 (12) An insurer is liable for an occupational disease only if the occupational disease:

13 (a) is established by objective medical findings; and

14 (b) arises out of or is contracted in the course and scope of employment. An occupational disease
15 is considered to arise out of or be contracted in the course and scope of employment if the events occurring on
16 more than a single day or work shift are the major contributing cause of the occupational disease in relation to
17 other factors contributing to the occupational disease. For the purposes of this subsection (12), an occupational
18 disease is not the same as a presumptive occupational disease.

19 (13) When compensation is payable for an occupational disease or a presumptive occupational
20 disease, the only employer liable is the employer in whose employment the employee was last injuriously
21 exposed to the hazard of the disease.

22 (14) When there is more than one insurer and only one employer at the time that the employee was
23 injuriously exposed to the hazard of the disease, the liability rests with the insurer providing coverage at the
24 earlier of:

25 (a) the time that the occupational disease or presumptive occupational disease was first diagnosed
26 by a health care provider; or

27 (b) the time that the employee knew or should have known that the condition was the result of an
28 occupational disease or a presumptive occupational disease.

(16) As used in this section, "major contributing cause" means a cause that is the leading cause contributing to the result when compared to all other contributing causes. (Void on occurrence of contingency-- sec. 7, Ch. 158, L. 2019.)

10 **39-71-407. (Effective on occurrence of contingency) Liability of insurers -- limitations.** (1) For
11 workers' compensation injuries, each insurer is liable for the payment of compensation, in the manner and to
12 the extent provided in this section, to an employee of an employer covered under plan No. 1, plan No. 2, and
13 the state fund under plan No. 3 that it insures who receives an injury arising out of and in the course of
14 employment or, in the case of death from the injury, to the employee's beneficiaries, if any.

15 (2) An injury does not arise out of and in the course of employment when the employee is:

16 (a) on a paid or unpaid break, is not at a worksite of the employer, and is not performing any
17 specific tasks for the employer during the break; or

18 (b) engaged in an unpaid social or recreational activity, regardless of whether the employer pays
19 for any portion of the activity or whether the activity occurs at the worksite of the employer. The exclusion from
20 coverage of this subsection (2)(b) does not apply to an employee who, at the time of injury, is on paid time
21 while participating in a social or recreational activity and whose presence at the activity is required or requested
22 by the employer. For the purposes of this subsection (2)(b):

23 (i) "requested" means the employer asked the employee to assume duties for the activity so that
24 the employee's presence is not completely voluntary and optional and the injury occurred in the performance of
25 those duties; and

26 (ii) "social or recreational activity" means an activity that is generally undertaken by individuals for
27 exercise, relaxation, pleasure, or voluntary or optional preparation related to the employment.

28 (3) (a) An insurer is liable for an injury, as defined in 39-71-119, only if the injury is established by

1 objective medical findings and if the claimant establishes that it is more probable than not that:

2 (i) a claimed injury has occurred; or

3 (ii) a claimed injury has occurred and aggravated a preexisting condition.

4 (b) Proof that it was medically possible that a claimed injury occurred or that the claimed injury

5 aggravated a preexisting condition is not sufficient to establish liability.

6 (4) (a) An employee who suffers an injury or dies while traveling is not covered by this chapter

7 unless:

8 (i) the employer furnishes the transportation or the employee receives reimbursement from the

9 employer for costs of travel, gas, oil, or lodging as a part of the employee's benefits or employment agreement

10 and the travel is necessitated by and on behalf of the employer as an integral part or condition of the

11 employment; or

12 (ii) the travel is required by the employer as part of the employee's job duties.

13 (b) A payment made to an employee under a collective bargaining agreement, personnel policy

14 manual, or employee handbook or any other document provided to the employee that is not wages but is

15 designated as an incentive to work at a particular jobsite is not a reimbursement for the costs of travel, gas, oil,

16 or lodging, and the employee is not covered under this chapter while traveling.

17 (c) As provided in this subsection (4), whether the employer furnishes the transportation or the

18 employee receives reimbursement for costs of travel, gas, oil, or lodging is not dispositive of whether the

19 employee is covered by this chapter.

20 (5) (a) Except as provided in subsection (6), an employee is not eligible for benefits otherwise

21 payable under this chapter if the employee's use of alcohol or drugs not prescribed by a physician is the major

22 contributing cause of the accident.

23 (b) For the purposes of this subsection (5), if an employee fails or refuses to take a drug test after

24 the accident and if the testing procedures comply with federal drug testing statutes and administrative

25 regulations applicable to private sector employers and employees as provided in Title 39, chapter 2, there is a

26 presumption that the major contributing cause of the accident was the employee's use of drugs not prescribed

27 by a physician.

28 (6) (a) An employee who has received written certification, as defined in 16-12-502, from a

1 physician for the use of marijuana for a debilitating medical condition and who is otherwise eligible for benefits
2 payable under this chapter is subject to the limitations of subsections (6)(b) through (6)(d).

3 (b) An employee is not eligible for benefits otherwise payable under this chapter if the employee's
4 use of marijuana for a debilitating medical condition, as defined in 16-12-102, is the major contributing cause of
5 the injury or occupational disease.

6 (c) Nothing in this chapter may be construed to require an insurer to reimburse any person for
7 costs associated with the use of marijuana for a debilitating medical condition, as defined in 16-12-102.

8 (d) In an accepted liability claim, the benefits payable under this chapter may not be increased or
9 enhanced due to a worker's use of marijuana for a debilitating medical condition, as defined in 16-12-102. An
10 insurer remains liable for those benefits that the worker would qualify for absent the worker's use of marijuana
11 for a debilitating medical condition.

12 (7) The provisions of subsection (5) do not apply if the employer had knowledge of and failed to
13 attempt to stop the employee's use of alcohol or drugs not prescribed by a physician. This subsection (7) does
14 not apply to the use of marijuana for a debilitating medical condition because marijuana is not a prescribed
15 drug.

16 (8) If there is no dispute that an insurer is liable for an injury but there is a liability dispute between
17 two or more insurers, the insurer for the most recently filed claim shall pay benefits until that insurer proves that
18 another insurer is responsible for paying benefits or until another insurer agrees to pay benefits. If it is later
19 proven that the insurer for the most recently filed claim is not responsible for paying benefits, that insurer must
20 receive reimbursement for benefits paid to the claimant from the insurer proven to be responsible.

21 (9) If a claimant who has reached maximum healing suffers a subsequent nonwork-related injury to
22 the same part of the body, the workers' compensation insurer is not liable for any compensation or medical
23 benefits caused by the subsequent nonwork-related injury.

24 (10) An employee is not eligible for benefits payable under this chapter unless the entitlement to
25 benefits is established by objective medical findings that contain sufficient factual and historical information
26 concerning the relationship of the worker's condition to the original injury.

27 (11) For occupational diseases, every employer enrolled under plan No. 1, every insurer under plan
28 No. 2, or the state fund under plan No. 3 is liable for the payment of compensation, in the manner and to the

1 extent provided in this chapter, to an employee of an employer covered under plan No. 1, plan No. 2, or the
2 state fund under plan No. 3 if the employee is diagnosed with a compensable occupational disease.

3 (12) An insurer is liable for an occupational disease only if the occupational disease:

4 (a) is established by objective medical findings; and

5 (b) arises out of or is contracted in the course and scope of employment. An occupational disease
6 is considered to arise out of or be contracted in the course and scope of employment if the events occurring on
7 more than a single day or work shift are the major contributing cause of the occupational disease in relation to
8 other factors contributing to the occupational disease.

9 (13) When compensation is payable for an occupational disease, the only employer liable is the
10 employer in whose employment the employee was last injuriously exposed to the hazard of the disease.

11 (14) When there is more than one insurer and only one employer at the time that the employee was
12 injuriously exposed to the hazard of the disease, the liability rests with the insurer providing coverage at the
13 earlier of:

14 (a) the time that the occupational disease was first diagnosed by a health care provider; or

15 (b) the time that the employee knew or should have known that the condition was the result of an
16 occupational disease.

17 (15) In the case of pneumoconiosis, any coal mine operator who has acquired a mine in the state or
18 substantially all of the assets of a mine from a person who was an operator of the mine on or after December
19 30, 1969, is liable for and shall secure the payment of all benefits that would have been payable by that person
20 with respect to miners previously employed in the mine if acquisition had not occurred and that person had
21 continued to operate the mine, and the prior operator of the mine is not relieved of any liability under this
22 section.

23 (16) As used in this section, "major contributing cause" means a cause that is the leading cause
24 contributing to the result when compared to all other contributing causes."

25

26 **NEW SECTION. Section 2. Applicability.** [This act] applies to claims for workers' compensation
27 benefits in which the injury or death occurs on or after October 1, 2025.

28

- END -