

1 \_\_\_\_\_ BILL NO. \_\_\_\_\_

2 INTRODUCED BY \_\_\_\_\_  
3 (Primary Sponsor)

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

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

3           (3)     (a) Subject to subsection (3)(c), an insurer is liable for an injury, as defined in 39-71-119, only if  
4     the injury is established by objective medical findings and if the claimant establishes that it is more probable  
5     than not that:

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.

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

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, oil,  
22     or 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 is not dispositive of whether the employee is covered by  
25     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.

1 (b) For the purposes of this subsection (5), if an employee fails or refuses to take a drug test after  
2 the accident and if the testing procedures comply with federal drug testing statutes and administrative  
3 regulations applicable to private sector employers and employees as provided in Title 39, chapter 2, there is a  
4 presumption that the major contributing cause of the accident was the employee's use of drugs not prescribed  
5 by a physician.

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).

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

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.

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

(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.)

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

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

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

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

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

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

(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 is not dispositive of whether the employee is covered by  
19 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 -