

HOUSE BILL NO. 68
INTRODUCED BY WHALEN

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT AN EMPLOYEE MAY BE DENIED UNEMPLOYMENT INSURANCE BENEFITS BECAUSE OF A STOPPAGE OF WORK; AMENDING SECTION 39-51-2305, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 39-51-2305, MCA, is amended to read:

~~"39-51-2305. Disqualification when unemployment due--to strike because of stoppage of work. (1) An individual shall be is disqualified for benefits for any week with-respect-to which the department finds that his total unemployment is due--to because of a strike stoppage of work which that exists because of a labor dispute at the factory, establishment, or other premises at which he is or was last employed. 7--provided-that-this~~ This subsection ~~shall does~~ not apply if it is shown to the satisfaction of the department that an individual:

(a) he is not participating in or financing or directly interested in the labor dispute ~~which that~~ caused the ~~strike stoppage of work~~; and

(b) he does not belong to a grade or class of workers of which, immediately before the commencement of the ~~strike~~

stoppage of work, there were members employed at the premises at which the ~~strike stoppage of work~~ occurs, any of whom are participating in or financing or directly interested in the dispute.

(2) If ~~in-any-case~~ separate branches of work ~~which that~~ are commonly conducted as separate businesses in separate premises are conducted in separate departments of the same premises, each ~~such~~ department ~~shall is~~, for the purpose of this section, ~~be-deemed~~ considered to be a separate factory, establishment, or other premises.

(3) If the department, upon investigation, ~~shall-find~~ finds that ~~such the~~ labor dispute is caused by the failure or refusal of ~~any an~~ employer to conform to the provisions of ~~any a~~ law of the state ~~wherein where~~ the labor dispute occurs or of the United States pertaining to collective bargaining, hours, wages, or other conditions of work, ~~such the~~ labor dispute ~~shall may~~ not render the workers ineligible for benefits."

NEW SECTION. **Section 2.** Effective date. [This act] is effective on passage and approval.

-End-



STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0068, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

A bill to change the criteria under which an individual is ineligible for unemployment insurance benefits. Current law disqualifies an individual from receiving benefits when the unemployment is due to a strike. HB0068 would substitute "stoppage of work" for "strike" as a disqualifying criterion.


ASSUMPTIONS:

1. The incidence and magnitude of work stoppages resulting from labor disputes are highly variable and unpredictable. Estimates of fiscal impact should be interpreted as having a relatively wide margin of error.
2. A recent two-year period--January 1989 through December 1990--is used as a "snapshot" to characterize the potential fiscal impact.
3. Of 46 potential claimants during this two-year period, a maximum of 429 benefit-weeks could have been paid. Possible duration was computed to be a maximum of the term of the labor dispute or 14 weeks, the average duration of all other claimants.
4. The maximum additional UI benefits which could have been paid during the period January 1989 through December 1990 under HB0068 would have been approximately \$80,000, an average of \$40,000 per year. This potential fiscal impact is within the department's rounding factor.

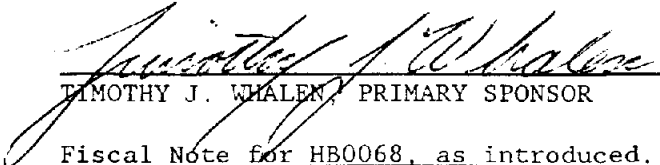
FISCAL IMPACT:

Expenditures:

	FY 92			FY 93		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
UI Benefits	43,000,000	43,040,000	40,000	42,000,000	42,040,000	40,000



ROD SUNDSTED, BUDGET DIRECTOR 1-8-90
Office of Budget and Program Planning DATE



TIMOTHY J. WHALEN, PRIMARY SPONSOR 1-9-91
DATE

Fiscal Note for HB0068, as introduced.

HB 68

APPROVED BY COMMITTEE
ON LABOR & EMPLOYMENT
RELATIONS

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stoppage of work, there were members employed at the
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interested in the dispute.

(2) If ~~in-any-case~~ separate branches of work which that
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this section, be-deemed considered to be a separate factory,
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(3) If the department, upon investigation, shall-find
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or refusal of any an employer to conform to the provisions
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State of Montana
Office of the Governor
Helena, Montana 59620
406-444-3111

STAN STEPHENS
GOVERNOR

April 15, 1991

The Honorable Hal Harper
Speaker
House of Representatives
State Capitol
Helena, Montana 59620

The Honorable Joseph P. Mazurek
President
Montana State Senate
State Capitol
Helena, Montana 59620

Dear Speaker Harper and President Mazurek:

In accordance with the power vested in me as Governor by the Constitution and laws of the State of Montana, I hereby veto the adoption of House Bill 68, "AN ACT PROVIDING THAT AN EMPLOYEE MAY BE DENIED UNEMPLOYMENT INSURANCE BENEFITS BECAUSE OF A STOPPAGE OF WORK; AMENDING SECTION 39-51-2305, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

This legislation attempts to turn the clock of Montana history back to the days of an unstable and uncertain unemployment trust fund. Presently, employees who chose to strike against an employer do so on their own volition. The passage of this legislation would substantially alter the delicate balance necessary in the management/employee collective bargaining process by permitting unemployment benefits to striking workers. The remaining Montana work force and employers would subsidize striking workers who choose not to return to work.

Because of responsible action by this legislative assembly in 1985 and prudent executive management, the Unemployment Insurance Trust Fund is stable and dependable. I cannot permit a deterioration of that trust fund. The Montana Unemployment Insurance Trust Fund has been through very difficult financial times. Employment disputes from a major private or public entity could seriously jeopardize the fund.

The Honorable Hal Harper
The Honorable Joseph P. Mazurek
April 15, 1991
Page Two

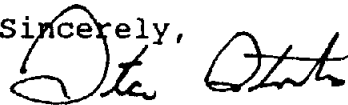
An unemployed worker faces difficult hardships and adjustments. The trust fund was created and preserved for men and women who lose their jobs through no fault of their own. They seek to return to work as soon as possible and need and deserve this assistance. This fund was not established for strike purposes.

Under present law, if an employer has committed an unfair labor practice, then affected employees are entitled to unemployment insurance benefits. This presents a fair and reasonably balanced approach to disputes.

House Bill 68 also places public service providers at a significant disadvantage. Certain essential services -- such as hospitals, police and fire protection -- require the business to remain open. If there is a labor dispute involving these services, this legislation would permit strikers to receive unemployment benefits. This scenario will prolong strikes. The people who rely on these services will suffer through no fault of their own.

For these reasons I veto House Bill 68.

Sincerely,

A handwritten signature in dark ink, appearing to read "Stan Stephens", written in a cursive style.

STAN STEPHENS
Governor