

January 14, 1977

LABOR AND EMPLOYMENT RELATIONS COMMITTEE PROCEEDINGS:

A meeting of the House Labor and Employment Relations Committee was held on Friday, January 14, 1977 at 3:30 p.m. in Room 428A of the State Capitol. All members were present.

The first bill heard was HOUSE BILL 112. The sponsor Rep. R. Budd Gould explained the bill. He stated that he could see the problems of a person not being active; now that the Workers' Compensation pays more, incentive for rehabilitation is definitely lacking. Under the provisions of this bill, if a person is ready for rehabilitation, he or she shall lose compensation if it is avoided.

Mr. Bob Donaldson, State Dept. of SRS, spoke in favor of the legislation; pointing out that some aspects of the bill are already contained in the Social Security laws. Dr. Robert P. Yost, M.D., from the Missoula Rehabilitation Center, and Mr. George Wood, Executive Secretary of the Montana Self Insurers' Assoc., also spoke in favor of the bill.

Mr. Jim Murry, Executive Secretary of the Montana State AFL-CIO was opposed to HB 112. The intentions of the bill are good, however he feels the act is much too harsh and not well thought out. It is too arbitrary and capricious. He suggested that additional consideration should be given to the concept, through the Governor's Advisory Committee on Workers' Compensation. No other opponents spoke.

Mr. Norman Grosfield, Division of Workers' Compensation, appeared as an interested party, and made himself available for questions. He did state, however, that a harsh approach such as this could be detrimental to the workers. He would see the law enforced probably only in rare instances. The intent of the bill is to provide a gentle push in the right direction.

Rep. Gould then closed. At this time he submitted an amendment to the bill; see attached copy.

Questions were then asked. Dr. Yost felt that if enacted this bill would provide incentive for those who are at present abusing the law. The committee was reassured that this wouldn't be used as a tool to make people relocate.

Rep. Ellerd then moved passage of Rep. Gould's proposed amendment. Rep. Wyrick seconded the motion. Motion carried unanimously. Rep. Turner then moved DO PASS AS AMENDED; Rep. Wyrick seconded. Rep. Lynch then made a substitute motion that the bill DO NOT PASS; Rep. Baeth seconded this motion. The committee then held more discussion. The question was then called for. Motion DO NOT PASS carried by a roll call vote of seven in favor and six opposed. Rep. Lynch

then moved that the Governor's Advisory Council on Labor and Management study the issue. Rep. Williams seconded the motion; motion carried unanimously.

HOUSE BILL 75 was then heard. Chairman Kimble read Chapter 20 from the R.C.M.'s, which this bill proposes to amend. Rep. Underdal then explained what the bill proposes; see prepared statement. He presented written testimony from several proponents who were unable to appear.

Mr. Gerald Baker, owner and operator of Jerry's Village Inn in Missoula, spoke in favor of the bill; see prepared statement. Mr. Roy L. Derr, owner of Roy's Supper Club in Valier and Roy's of Conrad, then spoke. Phil Strobe from the Montana Tavern Assoc. stressed that discrimination is still on the statutes and this was brought out in the lawsuit with Jerry's Village Inn. Rep. Underdal then closed, urging a DO PASS for the bill.

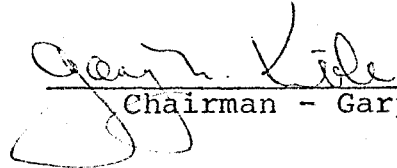
Opponents then testified. First to speak was Tony Softich; see prepared statement. Next, the Montana Employment Security Division representative stated his feelings. Mr. Sidney T. Smith, Dept. of Labor and Industry, and Ernest Post, Montana State AFL-CIO, both spoke in opposition to the bill. Mr. Post stressed that the law is aimed at the fly-by-night operations that come into the state. Also, see the handout which he presented. He also pointed out that previously the committee unanimously voted a DO PASS on the original legislation. Rep. Lynch then presented written testimony which he had received. Mr. Dick Kane, Dept. of Labor and Industry, Labor Standards Division, stated that this law has been working, ever since it began to be enforced. Kenneth Clark, United Transportation Union, then spoke in opposition to the bill.

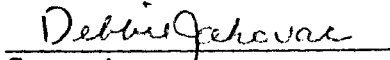
Rep. Underdal then closed. Questions were asked. Mr. Softich explained that the Dept. of Labor and Industry wasn't able to enforce the law previously because of a lack of funding to do so. The possibility was discussed of adding an amendment to rewrite the law to enter in a history of the business, thus providing for consideration of the proprietor's integrity. Mr. Baker was agreeable to that, but felt that if this law were to remain on the books, it should include all businesses, not just bars and restaurants.

A motion was made and seconded to pass the bill for the day; motion failed. Rep. Dassinger then moved DO NOT PASS; Rep. Brand seconded it. Rep. Ellerd then made a substitute motion DO PASS. It was seconded by Rep. Teague. Discussion followed. Rep. Ellerd felt that the bill should be discussed on the floor, no matter what the committee reported. Rep. Dissinger suggested that there are other ways to solve the situation besides bonding. Rep. Lynch felt that if the law saved one person's wages, it is worthwhile.

Question was then called for. The substitute motion of DO PASS failed; see roll call vote. The motion of DO NOT PASS was then voted on; by the Chairman's affirmation it was carried; see roll call vote.

Meeting was adjourned.


Chairman - Gary Kimble


Secretary