

MINUTES OF THE MEETING
LABOR & EMPLOYMENT RELATIONS COMMITTEE
MONTANA STATE SENATE

January 6, 1979

The first meeting of the Labor & Employment Relations Committee was called to order by Chairman Lowe on January 6, 1979, in Room 404 of the State Capitol Building at 1:30 p.m.

ROLL CALL: All members were present with the exception of Senator Bob Palmer and Senator Richard G. Smith, the latter being excused.

Chairman Lowe introduced Irene LaBare the Committee secretary, Jim Oppedahl, Attorney from the Legislative Council, Dave Fuller, Commissioner of Labor, Dick Kane of the Division of Labor Standards.

Mr. Fuller, Commissioner of Labor, addressed the Committee and indicated that the Department of Labor had approximately 17 pieces of legislation drafted. Mr. Fuller also explained the organizational breakdown of the Department of Labor and that the bills would be for the Labor Standards Division, Employment Security and Worker's Compensation.

Senator Hafferman requested that the Committee be provided with resumes of bill to be considered by the Committee. Chairman Lowe introduced Jim Oppedahl of the Legislative Council who would be providing the necessary information on the forthcoming bills.

Chairman Lowe asked Dick Kane of the Division of Labor Standards to discuss Senate Bill #29 and explain its purpose to the Committee. Mr. Kane explained that SB 29 was a house cleaning bill clearing up some language caused by a change in the law in 1974 relating to the restaurant, bar and tavern wage protection act which now requires a person who has a restaurant or bar and leases the building for that restaurant or bar to post a bond with the Department of Labor and Industry to ensure that in the event he does out of business, his employees will be paid. He explained that the old law required a restaurant or bar lessee to get a certificate to do business from the Department of Labor and Industry. The law also provided that if the lessee (restaurant or bar businessman did not maintain his bond, the Department could revoke his certificate to do business. Mr. Kane further explained that the new law would make it clear that the Department can stop a person from doing business in a leased if he does not maintain his wage payment bond.

Chairman Lowe explained the workings of amendments of bills to the new members of the Committee. Senator Dover agreed with the Chairman's explanation of the bill procedures.

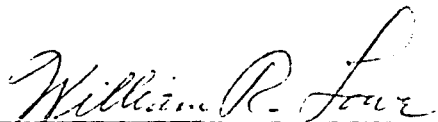
Senator Aklestad asked why restaurants and bars were required to secure bonds and not other establishments. The Chairman explained that the restaurants and bars were notorious for leaving their businesses without paying their employees. Senator Hafferman indicated that businesses would be under too much pressure if a license was automatically revoked. Mr. Kane explained that there had been only two cases in eight years where revocation had taken place.

The Chairman asked the Committee if they wanted to act on Senate Bill #29 at this meeting. A motion was made and seconded that Senate Bill #29 be approved as written. Senate Bill #29 was passed unanimously.

Mr. Fuller alerted the members of the Committee that there was another bill in connection with Senate Bill #29 that was presently being considered in the House. He indicated that House Bill #54 required a Certificate of Deposit to be used which would be similar to the bond requirement. There was a short discussion on this House Bill and Mr. Kane explained the workings of the Certificate of Deposit.

Senator Dover and Mr. Kane discussed the bonding of contractors and subcontractors which at times suffered the same problems as the restaurant and bar establishments.

There being no further business, the meeting was adjourned at 2:30 p.m.



WILLIAM R. LOWE, CHAIRMAN

ROLL CALL

LABOR & EMPLOYMENT RELATIONS COMMITTEE

46TH LEGISLATIVE SESSION - - 1979

Date June 6, 1979

NAME	PRESENT	ABSENT	EXCUSED
HAROLD C. NELSON, VICE CHAIRMAN	✓		
GARY AKLESTAD	✓		
HAROLD L. DOVER	✓		
WILLIAM F. HAFFERMAN	✓		
JOHN (SANDY) MEHRENS	✓	✓	
BOB PALMER		✓	
ELMER D. SEVERSON	✓		
RICHARD G. SMITH			✓
BILL R. LOWE, CHAIRMAN	✓		

Attach to minutes each day.

GOOD AFTERNOON MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE.

I AM DICK KANE, ADMINISTRATOR OF THE LABOR STANDARDS DIVISION, DEPARTMENT OF LABOR AND INDUSTRY.

I AM HERE TODAY TO TESTIFY IN SUPPORT OF SENATE BILL 29.

THIS IS A HOUSE CLEANING BILL WHICH CLEARS UP SOME LANGUAGE CAUSED BY A CHANGE IN THE LAW IN 1974.

THE RESTAURANT, BAR AND TAVERN WAGE PROTECTION ACT NOW REQUIRES A PERSON WHO HAS A RESTAURANT OR BAR AND LEASES THE BUILDING FOR THAT RESTAURANT OR BAR TO POST A BOND WITH THE DEPARTMENT OF LABOR AND INDUSTRY TO ENSURE THAT IN THE EVENT HE GOES OUT OF BUSINESS, HIS EMPLOYEES WILL BE PAID. IF NECESSARY, THEY WILL BE PAID OUT OF THE BOND.

THE OLD LAW REQUIRED A RESTAURANT OR BAR LESSEE TO GET A CERTIFICATE TO DO BUSINESS FROM THE DEPARTMENT OF LABOR AND INDUSTRY. THE LAW ALSO PROVIDED THAT IF THE LESSEE (RESTAURANT OR BAR BUSINESSMAN) DIDN'T MAINTAIN HIS BOND, THE DEPARTMENT COULD REVOKE HIS CERTIFICATE TO DO BUSINESS.

IN 1974, THE LEGISLATURE REPEALED THE CERTIFICATE REQUIREMENT. BUT THE LAW STILL ALLOWS THE DEPARTMENT TO STOP THE PERSON FROM DOING BUSINESS WITHOUT A BOND.

THE NEW LAW WOULD MAKE IT CLEAR THAT THE DEPARTMENT CAN STOP A PERSON FROM DOING BUSINESS IN A LEASED BUILDING IF HE DOESN'T MAINTAIN HIS WAGE PAYMENT BOND.

THIS BILL JUST CLEARS UP THE LANGUAGE. IT GRANTS THE DEPARTMENT NO NEW AUTHORITY.

THANK YOU.

SENATE Labor & Empl. Rel. COMMITTEE

BILL SB-29

VISITORS' REGISTER

DATE 1/6/11

NAME	REPRESENTING	BILL #	(check one)	
			SUPPORT	OPP
Dick Kane	Labor Standards Div	SB 29	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Dave Fuller	Dept of Labor & Industry	SB-29	<input checked="" type="checkbox"/>	<input type="checkbox"/>
THOMAS CURTIS	Dept of LABOR & INDUSTRY	SB-29	<input type="checkbox"/>	<input type="checkbox"/>

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY

STANDING COMMITTEE REPORT

..... January 8 19 79

MR. President

We, your committee on Business & Employment Relations

having had under consideration Senate Bill No. 29

Respectfully report as follows: That Senate Bill No. 29

DO PASS

P.A.

[Signature]
.....
William R. Lowe, Chairman.

PRELIMINARY COMMITTEE REPORT
(for Public Information Office)

The Labor & Employment Relations committee, meeting on January 6, , 1979, heard the following bills:

SB #29

Executive action was taken on the following bills:

Bill	Recommendation	Vote
SB #29	Do Pass As Amended	Unanimous

Secretary - Please complete this form (need not be typed) as soon as possible. No copy need be made. Your cooperation will be appreciated.