

HOUSE BILL NO. 414

Introduced: 01/20/83

Referred to Committee on Labor & Employment Relations:
01/20/83

Hearing: 2/1/83

Report: 02/04/83, Do Pass

2nd Reading: 02/07/83, Do Not Pass
Bill Killed

1 *House* BILL NO. *414*
2 INTRODUCED BY *[Signature]*
3 BY REQUEST OF THE DEPARTMENT OF LABOR AND INDUSTRY
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT HOLDING THE CHIEF
6 OPERATING PERSON AND CORPORATE OFFICERS INDIVIDUALLY LIABLE
7 FOR UNPAID WAGES OF EMPLOYEES OF A CORPORATION."
8

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

10 Section 1. Liability of corporate officers. The chief
11 operating person and the corporate officers of a corporation
12 are jointly and severally liable for unpaid wages owed to
13 employees of the corporation if:

14 (1) the corporation is subject to Montana corporate
15 law and fails to file the annual corporate report with the
16 Montana secretary of state as required by law;

17 (2) the corporation operates for a period of 30 days
18 subsequent to the date it became insolvent;

19 (3) the chief operating person or a corporate officer
20 commingles substantial assets of the corporation with his
21 personal assets;

22 (4) the corporation disposes of its assets and
23 dissolves without paying the wages of its employees; or

24 (5) the chief operating person or a corporate officer
25 holds the corporation out to be a sole proprietorship,

1 partnership, or unincorporated association or organization.
2 Section 2. Codification instruction. Section 1 is
3 intended to be codified as an integral part of Title 39,
4 chapter 3, part 2.

-End-

Approved by Committee
on Labor & Employment
Relations

1 *Hoyer* BILL NO. *414*
2 INTRODUCED BY *Stacy*
3 BY REQUEST OF THE DEPARTMENT OF LABOR AND INDUSTRY
4

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