

HOUSE JOINT RESOLUTION NO. 1

Special Session

Introduced: 12/15/83

Referred to Committee on Labor & Employment

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Special Session House

JOINT RESOLUTION NO. 1

INTRODUCED BY Baulance

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY OF MONTANA'S UNEMPLOYMENT INSURANCE TRUST FUND LAWS TO EXAMINE ALTERNATIVE MEANS OF ELIMINATING THE FUND'S DEFICIT AND ESTABLISHING A SYSTEM OF LONG-TERM SOLVENCY FOR THE FUND.

WHEREAS, Montana's unemployment insurance trust fund has been insolvent since March 1983, and as of November 1983, the state had borrowed over \$8 million from the federal government to finance the fund; and

WHEREAS, during the regular session of the 48th Legislature, the Department of Labor and Industry anticipated a \$28 million deficit of the trust fund but has now revised its projections and anticipates a \$36.2 million deficit; and

WHEREAS, the unemployment insurance trust fund is maintained by a complex interaction of federal and state laws, the latter containing many variables and complex formulas which the state has a certain amount of latitude to change; and

WHEREAS, to reduce the trust fund deficit within a

reasonable time, the state can either increase its unemployment insurance taxes, reduce its unemployment insurance benefits, or both; and

WHEREAS, many bills to accomplish these objectives were considered by the 48th Legislature, but a consensus could not be reached by the Legislature or interested parties in support of most of these proposals; and

WHEREAS, the parties representing both labor and industry have indicated that they still have not reached a consensus on the best possible resolution of the deficit problem; and

WHEREAS, reducing the deficit can be accomplished most effectively through a comprehensive review of the options available to the state, undertaken with the participation of representatives of both labor and industry, rather than by a happenstance, piecemeal approach.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That an interim subcommittee be assigned to study Montana's unemployment insurance trust fund laws to examine alternative means of eliminating the deficit and establishing a system of long-term solvency for the fund with particular attention to:

(1) (a) reviewing current inequities in the tax

1 structure which result in "mainstreet" businesses paying  
2 more into the fund than is charged against them while  
3 certain industries pay less into the fund than is charged  
4 against them; and

5 (b) devising a means of restructuring the taxes to  
6 provide greater equity among contributing employers;

7 (2) comparing Montana's unemployment insurance tax  
8 structure to the structures within other states and  
9 analyzing the most equitable ways of revising the tax  
10 structure, including a review of:

11 (a) the taxable wage base; and

12 (b) employers' experience rating systems;

13 (3) comparing Montana's unemployment insurance benefit  
14 structure to structures within other states, including a  
15 review of the following elements:

16 (a) benefit amounts;

17 (b) duration of benefits;

18 (c) qualifying requirements and disqualification  
19 provisions; and

20 (d) the use of a waiting week;

21 (4) studying the appeal process of unemployment  
22 insurance benefit determinations to determine any  
23 deficiencies which might exist;

24 (5) considering establishing statutory provisions to  
25 ensure the fund's solvency, which would be triggered only

1 under certain emergency situations, such as during times  
2 that a trust fund deficit is anticipated;

3 (6) considering other means of improving the solvency  
4 of Montana's unemployment insurance trust fund; and

5 (7) striking a reasonable balance between demands  
6 placed on employers and economic safeguards against  
7 employees.

8 BE IT FURTHER RESOLVED, that the committee consult and  
9 work with appropriate government agencies, private  
10 industries, labor organizations, and the general public in  
11 its study of the unemployment insurance trust fund.

12 BE IT FURTHER RESOLVED, that the committee report its  
13 findings and recommendations to the 49th Legislature.

-End-

THIRD READING

MISSING

SECOND READING

MISSING