

HOUSE BILL 695

Introduced by Whalen, et al.

2/14	Introduced
2/14	Referred to Labor & Employment Relations
2/15	Fiscal Note Requested
2/16	Hearing
2/17	Committee Report--Bill Passed as Amended
2/20	Fiscal Note Printed
2/20	Fiscal Note Received
2/20	2nd Reading Do Pass as Amended Failed

1 House BILL NO. 695
 2 INTRODUCED BY Whalen Richard Fleming Harney
 3 Bob Sipinich McLaughlin Moore Trissel Roney
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE
 5 ELIGIBILITY AND DISQUALIFICATION PROVISIONS FOR UNEMPLOYMENT
 6 INSURANCE BENEFITS; PROVIDING THAT AN EMPLOYEE MAY BE DENIED
 7 BENEFITS RELATED TO A STOPPAGE OF WORK; PROVIDING THAT A
 8 STUDENT IS NOT DISQUALIFIED FROM RECEIVING BENEFITS;
 9 AMENDING SECTIONS 39-51-2104, 39-51-2105, 39-51-2305, AND
 10 39-51-2307, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

11
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 **Section 1.** Section 39-51-2104, MCA, is amended to read:

14 "39-51-2104. General benefit eligibility conditions. An
 15 unemployed individual is eligible to receive benefits for
 16 any week of total unemployment within his benefit year only
 17 if the department finds that:

18 (1) he has filed a claim at and thereafter has
 19 continued to report at an employment office in accordance
 20 with such-regulation rules as the department may prescribe,
 21 except that the department may, by regulation rule,
 22 prescribe that in cases in which it finds such the
 23 requirements oppressive or inconsistent with the purposes of
 24 this chapter, an unemployed individual may file a claim
 25 and, if required, report for work by mail or through other

1 governmental agencies;

2 (2) he is able to work and is available for work and is
 3 seeking work; provided, however, that no A claimant is not
 4 considered ineligible in any week of unemployment for
 5 failure to comply with the provisions of this subsection if
 6 such the failure is due to:

7 (a) an illness or disability which occurs after he has
 8 registered for work and no suitable work has not been
 9 offered to such the claimant after the beginning of such the
 10 illness or disability; or

11 (b) enrollment as a student as provided in 39-51-2307.

12 (3) prior to the first week for which he is paid
 13 benefits he has been totally unemployed for a waiting period
 14 of 1 week. No A week is not counted as a week of total
 15 unemployment for the purposes of this subsection:

16 (a) if benefits have been paid with-respect-thereto for
 17 that week;

18 (b) unless the individual was eligible for benefits
 19 with-respect-thereto during the week;

20 (c) unless it occurs within the benefit year of the
 21 claimant;

22 (d) unless it occurs after benefits first could become
 23 payable to any individual under this chapter."

24 **Section 2.** Section 39-51-2105, MCA, is amended to read:

25 "39-51-2105. Qualifying wages. (1) To qualify for

benefits, an individual must have had at least 20 weeks of work with an average of \$50 per week in subject employment in the base period.

(2) On and after July 5, 1987, to qualify for benefits, an individual's total base period wages must be equal to or greater than 7% of the average annual wage as described in 39-51-2201(2). To qualify for benefits, an individual's total base period wages must be \$1,000 or more.

(3) A student eligible under 39-51-2307 need have earned only \$1,000 during the summer season to be eligible for benefits.

Section 3. Section 39-51-2305, MCA, is amended to read:

"39-51-2305. Disqualification when unemployment due to strike 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 a strike stoppage of work which exists because of a labor dispute at the factory, establishment, or other premises at which he is or was last employed, provided that this subsection ~~shall~~ may not apply if it is shown to the satisfaction of the department that:

(a) he is not participating in or financing or directly interested in the labor dispute which 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 are commonly conducted as separate businesses in separate premises are conducted in separate departments of the same premises, each ~~such~~ department shall, 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 employer to conform to the provisions of any 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."

Section 4. Section 39-51-2307, MCA, is amended to read:

"39-51-2307. ~~Disqualification~~ Qualification because of student status. (1) ~~Effective--April--1,--1977--an~~ An individual ~~shall~~ may not be disqualified for benefits during the school year (within the autumn, winter, and spring seasons of the year) or the vacation periods within ~~such the~~

1 school year or during any prescribed school term if claimant
2 is a student regularly attending an established educational
3 institution.

4 (2) ~~Notwithstanding any other provisions in this~~
5 ~~section, no~~ An otherwise eligible individual ~~shall~~ may not
6 be denied benefits for any week because:

7 (a) he is in training approved by the department, ~~nor~~
8 ~~shall such individual be denied benefits with respect to any~~
9 ~~week in which; or~~

10 (b) he is in training approved by the department by
11 reason of the application of provisions in 39-51-2304 or the
12 application of provisions in 39-51-2104(2)."

13 NEW SECTION. **Section 5.** Extension of authority. Any
14 existing authority to make rules on the subject of the
15 provisions of [this act] is extended to the provisions of
16 [this act].

17 NEW SECTION. **Section 6.** Effective date. [This act] is
18 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 HB695, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

"An act to generally revise the eligibility and disqualification provisions for unemployment insurance benefits; providing that an employee may be denied benefits related to a stoppage of work; providing that a student is not disqualified from receiving benefits; amending Sections 39-51-2105, 39-51-2305, and 39-51-2307, MCA; and providing an immediate effective date."

ASSUMPTIONS:

Amended out in Committee
Sections 2104, 2105, 2307

1. The proposed legislation potentially makes any student who earns \$1,000 during the summer eligible for unemployment insurance benefits during the school term and vacation periods.
2. There is no supporting data to determine the increase in unemployment insurance benefit expenditures for the proposed legislation.

Section 2305

1. Based on current data, of the strikes that occurred during the period CY1976 through CY1984, 40% were determined not to have stoppages of work and the workers were qualified to receive unemployment insurance benefits. Those strikes involved 3,999 claimants who received an estimated \$2.8M in benefits.
2. There is no supporting data to determine what unemployment insurance benefit expenditures would be in the next biennium based on current law or proposed law.

Fiscal Impact on Expendable Trust Fund

	<u>FY90</u>	<u>FY91</u>
Change in Benefit Expenditures (Current Law)	Unknown	Unknown
Change in Benefit Expenditures (Proposed Law)	Unknown	Unknown
Net Effect on Trust Fund	Unknown	Unknown

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:Section 2104, 2105 and 2307

This proposal could result in increased benefit charges and subsequent increases in unemployment insurance tax rates for local government entities.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

Proposed legislation could potentially result in a substantial increase in unemployment insurance benefit expenditures draining the Unemployment Insurance Trust Fund thereby increasing unemployment insurance tax rates for all employers.

Ray Shackelford
RAY SHACKLEFORD, BUDGET DIRECTOR
OFFICE OF BUDGET AND PROGRAM PLANNING

DATE 2/20/89

Timothy J. Whalen
TIMOTHY J. WHALEN, PRIMARY SPONSOR
Fiscal Note for HB695, as introduced

HB 695

Fiscal Note Request HB695 as introduced

Form BD-15

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Amended
out in
Committee

~~TECHNICAL OR MECHANICAL DEFECTS OR CONFLICTS WITH EXISTING LEGISLATION:~~

~~Section 2105 (3) of the proposed legislation is a contradiction to 2105 (2).~~

~~Section 2104 of the proposed legislation exempts all students from 'availability and seeking work' provisions of the law and allows students to draw benefits without looking for work and accepting suitable work when offered. Students would therefore have to be treated as a separate class of claimant entirely.~~

HB 695

APPROVED BY COMMITTEE
ON LABOR & EMPLOYMENT
RELATIONS

HOUSE BILL NO. 695

INTRODUCED BY WHALEN, MANNING, HARRINGTON, COHEN,
PIPINICH, MCCORMICK, MOORE, DRISCOLL, RANEY, HARPER,
PAVLOVICH, RUSSELL, MENAHAN, KILPATRICK,
VAN VALKENBURG, YELLOWTAIL, NORMAN

A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE
ELIGIBILITY AND DISQUALIFICATION PROVISIONS FOR UNEMPLOYMENT
INSURANCE BENEFITS; PROVIDING THAT AN EMPLOYEE MAY BE DENIED
BENEFITS RELATED TO A STOPPAGE OF WORK; ~~PROVIDING--THAT--A~~
~~STUDENT---IS---NOT---DISQUALIFIED--FROM--RECEIVING--BENEFITS,~~
AMENDING SECTIONS 39-51-2104, 39-51-2105, 39-51-2305, AND
39-51-2307, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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read:

***39-51-2104. General benefit eligibility conditions.**

An unemployed individual is eligible to receive benefits for
any week of total unemployment within his benefit year only
if the department finds that:

(1) he has filed a claim at and thereafter has
continued to report at an employment office in accordance
with ~~such-regulation~~ rules as the department may prescribe,
except that the department may, by regulation rule,

prescribe that in cases in which it finds ~~such~~ the
requirements oppressive or inconsistent with the purposes of
this chapter, an unemployed individual may file a claim
and, if required, report for work by mail or through other
governmental agencies;

(2) he is able to work and is available for work and
is seeking work, ~~provided-however-that-no~~ A claimant is
not considered ineligible in any week of unemployment for
failure to comply with the provisions of this subsection if
~~such the~~ failure is due to:

~~(a)~~ an illness or disability which occurs after he has
registered for work and no suitable work has not been
offered to ~~such the~~ claimant after the beginning of ~~such the~~
illness or disability; or

~~(b)--enrollment-as-a-student-as-provided-in-39-51-2307.~~

(3) prior to the first week for which he is paid
benefits he has been totally unemployed for a waiting period
of 1 week. No A week is not counted as a week of total
unemployment for the purposes of this subsection:

(a) if benefits have been paid ~~with--respect--thereto~~
for that week;

(b) unless the individual was eligible for benefits
~~with-respect-thereto~~ during the week;

(c) unless it occurs within the benefit year of the
claimant;

(d) unless it occurs after benefits first could become payable to any individual under this chapter."

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~~(2) On and after July 5, 1987, to qualify for benefits, an individual's total base period wages must be equal to or greater than 7% of the average annual wage as described in 39-51-2201(2). To qualify for benefits, an individual's total base period wages must be \$1,000 or more.~~

~~(3) A student eligible under 39-51-2307 need have earned only \$1,000 during the summer season to be eligible for benefits."~~

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subsection ~~shall~~ may not apply if it is shown to the satisfaction of the department that:

(a) he is not participating in or financing or directly interested in the labor dispute which 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 are commonly conducted as separate businesses in separate premises are conducted in separate departments of the same premises, each such department shall, 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 employer to conform to the provisions of any 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."

Section 3. Section 39-51-2307, MCA, is amended to

read:

"39-51-2307. Disqualification Qualification because of student status. (1) ~~Effective--April--17--1977--on~~ An individual ~~shall~~ may not be disqualified for benefits during the school year (within the autumn, winter, and spring seasons of the year) or the vacation periods within ~~such the~~ school year or during any prescribed school term if claimant is a student regularly attending an established educational institution.

(2) ~~Notwithstanding--any--other--provisions--in---this section--no~~ An otherwise eligible individual ~~shall~~ may not be denied benefits for any week because:

(a) ~~he is in training approved by the department;--nor shall--such--individual--be--denied--benefits--with--respect--to--any week--in--which; or~~

(b) ~~he is in training approved by the department by reason of the application of provisions in 39-51-2304 or the application of provisions in 39-51-2104(2)."~~

NEW SECTION. **Section 4.** Extension of authority. Any existing authority to make rules on the subject of the provisions of [this act] is extended to the provisions of [this act].

NEW SECTION. **Section 5.** Effective date. [This act] is effective on passage and approval.

-End-