

# SENATE BILL REPORT

## SB 6327

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As of February 11, 2008

**Title:** An act relating to unemployment compensation during labor disputes.

**Brief Description:** Providing unemployment compensation during labor disputes.

**Sponsors:** Senators Keiser, Kline and Kohl-Welles.

**Brief History:**

**Committee Activity:** Labor, Commerce, Research & Development: 1/21/08.

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### SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

**Staff:** Kathleen Buchli (786-7488)

**Background:** An individual who is on strike is disqualified from receiving unemployment benefits. A labor dispute does not disqualify a locked out individual unless the lockout is by an employer who is a member of a multi-employer bargaining unit; and the lockout occurs after one employer member of the unit has been struck by its employees as a result of the multi-employer bargaining process.

**Summary of Bill:** Deletes the provision that disqualifies employees in a multi-employer bargaining unit from unemployment compensation benefits when the employees have been locked out following a strike against one of the employers in the bargaining unit.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: This bill restores fairness and it is for those employees who want to work but are locked out by their employers. The effects of a lockout on workers can be devastating, especially for those workers who live from paycheck to paycheck. Oregon has adopted similar legislation and it is time for this state to do this. This bill deals with those who are out of work due to actions of their employers. Based on who they work for, it is possible to treat two workers in the same position differently under current law.

CON: The bill has two policy problems. The first involves unemployment insurance policy, which exists to provide a social safety net to those who do not work through no fault of their

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own. Providing benefits during a lockout is not consistent with a no fault system and could result in millions of dollars of benefits being charged. The second involves labor law. A lockout is a defensive posture by an employer to the bargaining demands of a union. This is an economic weapon and removing this tilts the balance to employees because the employers would have to underwrite costs during a lockout. There are concerns that this bill will result in the state aiding a union engaged in a labor dispute. The current law is the result of negotiations that took place twenty years ago; this changes the terms of those negotiations.

**Persons Testifying:** PRO: Senator Keiser, prime sponsor; Owen Linch, Teamsters Joint Council #28; Kyong N. Barry, United Food and Commercial Workers Local 21; Damiana Merryweather, United Food and Commercial Workers State Council.

CON: Randy Zeiler, Allied Employers, Incorporated; Jan Gee, Washington Food Industry; Kris Tefft, Association of Washington Business.