
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1545

Session of
1981

INTRODUCED BY MADIGAN, VROON, NOYE, GEIST AND MACKOWSKI,
JUNE 15, 1981

REFERRED TO COMMITTEE ON LABOR RELATIONS, JUNE 15, 1981

AN ACT

1 Requiring labor organizations proposing to strike or otherwise
2 interfere with company productivity to give one year notice
3 of such action, to file a statement of economic impact in
4 relation to the proposed action, and to pay into the
5 Community Assistance Fund an amount equal to 10% of the lost
6 wages of all employees directly affected by the strike,
7 providing for severance payments to employees and for payment
8 of fixed overhead costs in certain cases.

9 The General Assembly finds that the interference with
10 productivity of any industrial or commercial operation through
11 strikes by organized labor has a substantial adverse economic
12 and social impact upon the community in which such operation is
13 located and that the people of the community have a substantial
14 interest in the implied and actual economic changes.

15 The General Assembly declares that it is the public policy of
16 the Commonwealth to mitigate the adverse impact of such economic
17 changes by requiring the union planning to strike to give notice
18 in advance of taking such action, to study and report the
19 estimated economic impact of the change, and to provide economic
20 assistance for employees and employers in certain circumstances.

1 The General Assembly of the Commonwealth of Pennsylvania
2 hereby enacts as follows:

3 Section 1. Short title.

4 This act shall be known as may be cited as the "Union
5 Community Responsibility Act."

6 Section 2. Definitions.

7 The following words and phrases when used in this act shall
8 have, unless the context clearly indicates otherwise, the
9 meanings given to them in this section:

10 "Covered establishment." Any industrial or commercial
11 facility or part thereof which employs or has employed at any
12 time in the preceding 12-month period 100 or more persons but
13 does not include a construction site or other work place that
14 was never intended as anything other than a temporary work
15 place.

16 "Covered group." Any legally constituted and recognized
17 labor organization.

18 "Employer." Any person who directly or indirectly owns and
19 operates a covered establishment.

20 "Fund." The Community Assistance Fund.

21 "Person." Any individual, group, partnership, corporation,
22 association or any other entity.

23 "Secretary." The Secretary of Community Affairs.

24 "Strike." Any work stoppage or dispute resulting in the
25 cessation of productivity.

26 "Week's pay." An amount equal to 1/52nd part of the gross
27 wages paid to an employee during the 12 months prior to the
28 strike or termination.

29 Section 3. Notice of intent to strike.

30 Any covered group which intends to strike or terminate a

1 collective bargaining agreement shall give notice of such
2 intention to the secretary and the Secretary of Labor and
3 Industry at the earliest practicable date and in any event at
4 least one year before such strike or termination is to be
5 effected. The notice shall specify the number of employees whose
6 employment is to be affected as a result of such strike or
7 termination.

8 Section 4. Economic impact statement.

9 (a) Contents of statement.--No later than 60 days after the
10 date on which the notice of strike or termination is given, the
11 covered group involved shall file with the secretary and the
12 Secretary of Labor and Industry a statement setting forth the
13 reasons for, and estimating the local economic impact of, such
14 strike or termination. The economic impact statement shall
15 include information concerning the employer's payroll, number of
16 employees affected by the strike or contract termination, wages
17 and other remuneration paid to such employees, amount of State
18 and local tax revenue that will be lost, and financial effect on
19 other businesses in the community.

20 (b) Availability of facilities for continued operations.--
21 The statement shall also state whether the facilities and
22 equipment used in the operations being struck are available for
23 operation by persons interested in continuing those operations.

24 Section 5. Severance pay.

25 Any covered group which strikes a covered establishment shall
26 be liable to any employees permanently terminated as a result of
27 such strike for severance pay at the rate of one week's pay for
28 each year of employment by the employee in such establishment.
29 Such severance pay to eligible employees shall be in addition to
30 any final wage payment to such employee and shall be paid within

1 one regular pay period after the employee's last full day of
2 work, notwithstanding any other provisions of law.

3 Section 6. Mitigation of severance pay.

4 The covered group shall not be liable for severance pay to an
5 eligible employee if the employee has been employed by the
6 employer for less than three years.

7 Section 7. Suits by employees or covered establishments.

8 Any covered groups who violates this act shall be liable to
9 the employee or employees affected in the amount of their unpaid
10 severance pay and to the covered establishment for 12 months
11 fixed overhead costs. Action to recover such liability may be
12 maintained against any covered group in any state or Federal
13 court of competent jurisdiction by any one or more employees for
14 and on behalf of himself or themselves and any other employees
15 similarly situated and by the covered establishment. Any labor
16 organization may also maintain an action on behalf of its
17 members. The court in such action shall, in addition to any
18 judgment awarded to the plaintiff or plaintiffs, allow a
19 reasonable attorney's fee to be paid by the defendant and costs
20 of the action.

21 Section 8. Suits by the secretary.

22 The secretary is authorized to supervise the payment of the
23 unpaid severance pay and overhead costs owing to any employee or
24 covered establishment under this act. The secretary may bring an
25 action in any court of competent jurisdiction to recover the
26 amount of any unpaid severance pay or overhead costs. The right
27 provided by section 7 to bring an action by or on behalf of any
28 employee, and of any employee to become a party plaintiff to any
29 such action, shall terminate upon the filing of a complaint by
30 the secretary in an action under this section, unless such

1 action is dismissed without prejudice by the secretary. Any sums
2 recovered by the secretary on behalf of an employee or covered
3 establishment pursuant to this section shall be held in a
4 special deposit account and shall be paid, on the order of the
5 secretary, directly to the employee or covered establishment
6 affected.

7 Section 9. The Community Assistance Fund.

8 (a) Establishment.--There is hereby established the
9 Community Assistance Fund as a separate account in the State
10 treasury.

11 (b) Payments to fund.--Whenever a covered group makes a
12 decision to strike or terminate a collective bargaining
13 agreement, it shall pay into the Community Assistance Fund an
14 amount equal to 10% of the total annual wages of all employees
15 directly affected as a result of such decision. The secretary
16 shall provide by rule for a time schedule by which the amount
17 shall be paid.

18 (c) Community grants.--Money in the Community Assistance
19 Fund shall be used for grants to communities adversely affected
20 or about to be adversely affected by a strike or bargaining
21 agreement termination. The secretary shall establish rules for
22 the approval or rejection of grant application.

23 (d) Separate accounts.--A separate account shall be
24 maintained in the fund for each community in which an
25 establishment making payments to the fund is located. Such
26 account shall be credited with all payments made to the fund by
27 covered groups located in such community and shall be charged
28 with all grants awarded from the fund to the community. No grant
29 for any community shall exceed 125% of the net amount in the
30 account of that community at the time the grant is made.

1 Section 10. Effective date.

2 This act shall take effect in 60 days.