

NOTE: As provided in LFC policy, this report is intended for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.

Only the most recent FIR version, excluding attachments, is available on the Intranet. Previously issued FIRs and attachments may be obtained from the LFC office in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR: Cravens DATE TYPED: 02/28/01 HB _____
 SHORT TITLE: Use of Collected Union Dues SB 787
 ANALYST: Taylor

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
		See Narrative			

(Parenthesis () Indicate Expenditure Decreases)

Duplicates HB 861

SOURCES OF INFORMATION

Labor Department
 State Personnel Office

SUMMARY

Synopsis of Bill

Senate Bill 787 would require all employers who collect union dues from their employees to notify employees of rights regarding use of collected union dues. Specifically, the bill would require:

- Employers to post in a conspicuous location a notice disclosing employees rights regarding use of collected dues. The notice would state that in accordance with the United States Supreme Court Decision *Communication Workers of America v. Beck* (1988), employees rights regarding collected dues include that a union is not permitted to expend dues for fees collected from employees on activities unrelated to collective bargaining activities and may only collect dues and fees necessary to finance collective bargaining activities. It would also report political causes and community outreach programs are activities unrelated to collective bargaining and collective bargaining fees and dues may not be used to finance them.
- The director of Labor and Industrial Division (LID) of the Labor Department to prepare and furnish posters containing the notice about use of union dues and fees. LID is responsible for enforcing compliance with the requirement that the posters be conspicuously displayed.
- Employers to obtain written permission from an employee before using union dues or fees for political purposes.

- Unions that engage in mandatory withholding of dues or fees from nonmember employees to report annually the withholding and the amounts withheld along with expenditures by category to the Secretary of State. Categories includes collective bargaining, organizing, developing safety programs, partisan political campaigns, political issue education and voter registration.

FISCAL IMPLICATIONS

The Labor Department estimates that it would cost the Labor and Industrial Division about \$4,500 to comply with the posting requirement. They assume 4,500 employers have unionized employees and that posters cost \$1.00 each. There is no appropriation to pay for this, so they say that they would have to reduce operating expenses for other efforts to absorb the costs.

BT/sb