

House Bill 5574
Sponsor: Rep. Robert Gosselin
Committee: Employment Relations,
Training and Safety

Complete to 1-28-02

A SUMMARY OF HOUSE BILL 5574 AS INTRODUCED 1-24-02

House Bill 5574 would amend the Public Employment Relations Act to require certain labor unions to disclose information to the state about the ways they collect and spend their members' service fees.

Currently the law reaffirms the continuing public policy of the state that the stability and effectiveness of labor relations in the public sector requires (if the requirement is negotiated with the public employer), that all employees in the bargaining unit share fairly in the financial support of their exclusive bargaining representative by paying a service fee that may be equivalent to the amount of dues that are uniformly required of other members of the exclusive bargaining representative. House Bill 5574 would rewrite this provision to specify instead that, if negotiated under a collective bargaining agreement with a public employer, all employees in the bargaining unit would be required to pay to the exclusive bargaining representative a service fee that may be equivalent to the amount of dues required of members of the exclusive bargaining representative.

Further, the bill specifies that if a public employer agrees to a service fee, then the exclusive bargaining representative would be required to annually file with the commission, all of the following information within 90 days after the end of the bargaining representative's fiscal year (and would prohibit a labor organization or its agents from failing or refusing to do so):

- all assets and liabilities at the beginning and end of the fiscal year;
- the salary, cost of fringe benefits, allowances, and any other direct or indirect disbursements to each officer and any employees of the exclusive bargaining representative;
- all contributions to state or national affiliates of the bargaining representative, or to any officer and any employees of a state or national affiliate;
- all income received by, and the value of any services furnished to, the bargaining representative by any of the following: (i) a parent affiliated labor organization; or (ii) any other labor organization on behalf of the exclusive bargaining representative;
- the total amount spent by the bargaining representative and the percentage of total expenditures for all of the following: (i) contract negotiation and administration; (ii) organizing activities; (iii) strike activities; (iv) litigation, specifying the matters and cases involved and the name, address, and activities of any attorney, law firm, lobbying firm, public relations firm, or

other person retained; (v) public relations activities, specifying the name, address, and activities of any attorney, law firm, lobbying firm, public relations firm, or other person retained; (vi) political activities, including but not limited to, contributions to political campaigns, contributions to referendum or initiative campaigns, and express advocacy on behalf of or in opposition to any candidate for election, referendum, or initiative; (vii) activities intended to influence federal, state, or local legislation, regulations, or policies, specifying the name, address, and activities of any attorney, law firm, lobbying firm, public relations firm, or other person retained; (viii) issue advocacy, voter education, voter registration, and activities intended to increase voter turnout; (ix) training activities for the exclusive bargaining representative's officers or employees; and, (x) conference, convention, and travel activities engaged in by the exclusive bargaining representative's officers or employees;

-a list of any political candidates and political, charitable, nonprofit, or community organizations to which the exclusive bargaining representative contributed financial assistance or provided other assistance and the amount contributed or the fair market value of the assistance provided; and,

-the name and address of any political action committee with which the bargaining representative was affiliated, or to which it provided a contribution, specifying the total amount of any contribution made, the candidates or issues to which the committee provided financial assistance, and the amount of financial assistance the committee provided for those candidates or issues.

House Bill 5574 would require that this report be prepared by an independent auditing organization, using generally accepted auditing standards and generally accepted accounting principles. Further, the bill would require that the auditor report expenditures or portions of expenditure as either germane or non-germane to collective bargaining, contract administration, or grievance processing.

Finally, House Bill 5574 specifies that a failure or refusal to provide the report would be an unfair labor practice, and that it would be remediable by the commission in the following manner:

-for the first failure or refusal, the commission would be required to order the exclusive bargaining representative to refund all membership dues or service fees to employees of the bargaining unit for the period covered by the report; and,

-for a second failure or refusal, the commission would be required to order an election in the bargaining unit affected, to determine whether the labor organization would continue to be the exclusive bargaining representative. That election would be conducted upon the expiration of any existing collective bargaining agreement.

MCL 423.210 and 423.216

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.