



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 704 (as introduced 9-27-11)
Sponsor: Senator Arlan Meekhof
Committee: Reforms, Restructuring and Reinventing

Date Completed: 6-8-12

CONTENT

The bill would amend the labor mediation Act to allow an employer or other entity subject to an unlawful work protest to bring an action seeking injunctive relief, and provide for civil fines to be assessed against violators.

The Act section 1 prohibits all of the following:

- Preventing lawful work by mass picketing.
- Obstructing the entrance to a place of employment.
- Obstructing public roads or other ways of travel.
- Picketing a private residence by any means.

Currently, a violation of this prohibition is a misdemeanor. The bill would remove the misdemeanor penalty and replace it with the civil fines described below.

The bill would allow an employer or other person or entity that was subject to a prohibited activity to bring an action in circuit court to seek an injunction against the activity. The court would be required to grant injunctive relief if it found that a person, union, or organization had engaged or was engaging in any prohibited conduct, without regard to other remedies, the demonstration of irreparable harm, or other factors.

Failure to comply with an injunction could be punished as contempt. A person who violated the prohibition and had been previously enjoined would be subject to a civil fine of \$1,000 per day of violation. If a union or organization continued to sponsor or assist in the prohibited activity in violation of an injunction, it would be subject to a civil fine of \$10,000 per day. The fine revenue would be paid to the court, and if the plaintiff demonstrated damages to business sales, business opportunities, or property, it would have to be compensated from the payment made to the court.

MCL 423.9f

Legislative Analyst: Dan O'Connor

FISCAL IMPACT

The bill would have an indeterminate, but likely negligible, fiscal impact on local courts. Additional actions seeking injunctive relief as allowed under the bill could cause a marginal increase in court caseload. Civil fines of \$1,000 for an individual or \$10,000 for an organization would be paid to the court, but these funds could be used to compensate plaintiffs (rather than fund court operations). The removal of the misdemeanor language could result in a marginal reduction in local corrections costs.

Fiscal Analyst: Dan O'Connor

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.