#### **Model Policy Summaries for Sunset Review Process**

# Model Policies that Received at Least 2/3 Executive Committee Vote to Retain and will go directly to ALEC Board

#### 1. Affordable Housing Tax Credit Act (1995)

In order to increase the supply of low income housing, this act provides a tax credit for business firms that invest in low-income rental housing production within the state.

#### 2. The Factory Built Housing Act (2000)

This bill would allow factory-built housing in all areas zoned for single-family residential housing. Local governments would be able to establish aesthetic standards for factory-built homes so long as they are no more restrictive than those for site-built housing.

#### 3. Housing Affordability Impact Statement (1995)

This bill would require all future legislation introduced in the general assembly, except those making a direct appropriation, whose purpose is to increase or decrease the cost of constructing, purchasing, owning or selling a single family residence, either directly or indirectly, to have prepared for the legislation a housing affordability impact note that shall include a reliable estimate of the anticipated impact on the cost of housing. This bill would greatly impede the future passage of costly regulations on housing.

### 4. Rent Control Preemption Act (1995)

This legislation would effectively preempt all rent control ordinances at the local level. As a result, local governments would be prohibited from enacting, maintaining or enforcing an ordinance that would have the effect of controlling the amount of rent charged for leasing private residential or commercial property.

#### 5. Resolution in Support of Workforce Housing in America (2004)

Supports the enactment of state "notice and opportunity to repair" legislation that provides builders with the opportunity to resolve differences with home buyers before a lawsuit is filed.

#### 6. Economic Civil Rights Act (1995)

Among the rights Americans cherish the most are freedoms to pursue a chosen enterprise or profession. Yet of all the rights we deem fundamental, economic liberty has eroded most of all, to the extent that the "right" to receive a welfare

check today enjoys greater legal protection than the right to earn an honest living. Licensing and regulation of businesses and professions - often placed in the hands of the regulated industry-artificially limit entry and reduce competition. Myriad entry-level opportunities are affected by occupational licensing laws, government-imposed monopolies in businesses such as taxicabs and trash hauling, and restrictions on home-based businesses such as day-care centers. The principal victims of these of these restrictions are people outside the economic mainstream, for whom the bottom rungs of the economic ladder are cut off. This model legislation would ensure that all such regulations are limited to legitimate public health, safety, and welfare objectives, and that individuals are free to earn a share of the American Dream.

#### 7. Economic Liberty Resolution (1996)

This resolution calls for state legislatures to establish a Joint Legislative Committee on Economic Freedom for the purposes of identifying legal and regulatory barriers to private investment and entrepreneurship, and proposing legislation on such other actions as may be necessary to remove such barriers.

# 8. Resolution Opposing Government Mandated Disclosure of Proprietary, Trade Secret Information (2006)

A resolution in opposition to recent efforts by some state legislatures to mandate that Pharmacy Benefit Managers (PBMs) disclose competitive, proprietary, and trade secret information to their clients and other entities. The Federal Trade Commission (FTC) and other federal government agencies have determined that PBMs have successfully helped employers, health plans and other healthcare purchasers significantly reduce their drug costs. The FTC has determined that government-mandated disclosures of proprietary information would undermine the vigorous competition in the marketplace that has enabled PBMs to continue to control drug costs for their clients.

### 9. Taxpayer Privatization Dividend Act

This bill establishes a commission on privatization to promote methods of providing a portion or all of formerly government-provided and government-produced programs or services through the private sector. Such methods may include awarding ownership and control of a public service to the private sector, awarding rights for provision of public service to the private sector while retaining public responsibility, or eliminating regulations. It also creates a taxpayers dividend fund into which a certain amount of saving derived as a result of privatization is deposited. (An example of this bill is Mississippi SB #2495, 1993.)

#### 10. Breach of Personal Information Notification Act (2005)

This Act will help ensure that personal information residents of this state is protected by providing procedures for notification of security breaches related to personal information and thereby encouraging individuals and commercial entities, as defined in the bill, to provide reasonable security for unencrypted personal information.

#### 11. Employment Reference Immunity Act (1996)

Due to increasing threats of litigation, few employers will give job references for employees. This deprives good employees from being able to receive positive evaluations and also results in employers hiring employees they would not have hired if they were aware of the employees' previous conduct. The Employment Reference Immunity Act is designed to encourage employers to give good faith, truthful job references about employees. The Act accomplishes this goal by granting employers absolute and qualified immunity, depending on the scope of the information, for responding to prospective employers' requests for information.

### 12. Living Wage Mandate Preemption Act (2001)

The Living Wage Mandate Preemption Act repeals any local "living wage" mandates, ordinances or laws enacted by political subdivisions of the state. It also prohibits political subdivisions from enacting laws establishing "living wage" mandates on private businesses, including those businesses that have service contracts with and/or receive financial assistance from such political subdivisions of state government.

### 13. Prevailing Wage Repeal Act (1995)

This act repeals all laws that require administratively determined employee compensation rates, including wages, salaries and benefits.

# 14. Resolution in Opposition to any Increase in the Starting (Minimum) Wage (1996)

The Resolution in Opposition to Any Increase in the Starting (Minimum) Wage recognizes that increasing the starting (minimum) wage is counterproductive. An increase in the starting wage makes it more difficult for employers to bring teenagers, entry-level workers, and others who need job experience, into the workforce where they can gain skills, training and confidence.

# 15. Resolution Urging Congress to Pass Legislation Requiring Expedited Waiver Procedures to States (2000)

This resolution urges Congress to pass legislation to require federal executive agencies to establish expedited review procedures for granting a waiver to a state

under a grant program administered by the federal agency if another state has already been granted a similar waiver by the agency under that program.

# 16. Resolution on the Enhancement of Economic Neutrality, Commercial Efficiency, and Fairness in the Taxation of Moist Smokeless Tobacco (MST) Products (2006)

Supports efforts to change or convert state excise taxes levied on MST from ad valorem or price based to weight or volume based.

#### 17. Regulatory Flexibility Act (2003)

A bill to improve state rulemaking by creating procedures to analyze the availability of more flexible regulatory approaches for small businesses.

# 18. Access to Financial Services for Unbanked and Underbanked Consumers (2007)

Supports efforts to bring financial choices to the unbanked and underbanked consumer.

#### 19. Free Contract in Financing Act (1995)

The Free Contract in Financing Act removes restrictions on interest rates for all loans and sales, including those to both consumers and businesses, and allows borrowers and lending institutions to contract for a mutually agreeable interest rate.

# 20. Resolution in Opposition to Government Imposed Caps or Elimination of ATM Service Charges (1998)

This resolution opposes government imposed caps or elimination of ATM service charges. ATMs are widely used machines that many consumers rely upon to conveniently bank 24 hrs per day. These machines were originally installed to reduce reliance on tellers and have proliferated because of financial support derived from particular fees for usage. In any case, government imposed caps on ATM fees and surcharges are price controls, which violate the principles of free enterprise.

#### 21. Resolution in Support of Insurance Commissioners' Exclusive State Regulatory Authority Over Variable Life Insurance and Variable Annuities (2003)

Endorses and supports state insurance commissioners having exclusive authority at the state level over the regulation of the issuance, marketing and sale of variable life insurance and variable annuities, and opposes any state legislation or regulation that would grant state securities regulators jurisdiction over the issuance and sale of such products or that would define variable life insurance or variable annuities as "securities" under state law.

#### 22. State Power to Regulate Lending Act (2002)

The State Power to Regulate Lending Act preempts local ordinances enacted by a political subdivision of this state that govern the originating, granting, servicing or collecting of loans. It prohibits political subdivisions from enacting lending ordinances or rules that would disqualify persons from doing business with a city, county or other political subdivision based on restrictions on lending practices.

#### 23. Title Pledge Act (2005)

This Act will provide for statewide licensing of title pledge lenders, including examination standards. The goal of this legislation is to reinforce title pledge lenders' financial responsibility to the public.

### 24. After Market Crash Parts Act (1995)

Since only bodily injury claims are litigated, no-fault insurance only saves money in the bodily injury component of insurance premiums. However, savings can be achieved in the property damage component of premiums, as well. Often, the price of a replacement part reflects whether or not the original manufacturer has competition from a non-original manufacturer. Naturally, insurers have sought to utilize these less expensive non-original equipment manufacturer crash parts (fenders, quarter panels, hoods, etc.), and as the market develops, it is likely that its beneficial effect will be seen through the lowering of the costs to repair cars. In fact, in many states collision coverage rates have stabilized or come down as a result of the availability and use of competitive replacement parts. Many insurers warrant these parts and the distributors for many of these parts offer warranties on them, as well. However, warranty restrictions in several states restrict the free market in this area and threaten to drive non-original manufacturers out of business.

#### 25. Insurance Market Conduct Surveillance Act (2005)

Establishes a framework for department market conduct actions, including processes and systems for identifying, assessing, and prioritizing market conduct problems that have a substantial adverse impact on consumers, policyholders, and claimants, the development of appropriate market conduct actions by the Commissioner and procedures to communicate and coordinate market conduct actions with other states.

#### 26. Interstate Insurance Product Regulation Compact Resolution (2005)

Supports state efforts to streamline, simplify and modernize insurance regulation and recommends the NAIC Interstate Insurance Product Regulation Compact Model Act to the states for their consideration and support.

#### 27. Property/Casualty Insurance Modernization Act (2000)

This model bill establishes a use and file rate regulatory system for personal lines of insurance, a no-file system for commercial lines, and allows policies sold to large, sophisticated commercial insurance providers to be exempt from rate and regulatory requirements. This creates a more competitive and less onerous regulatory environment in the property/casualty insurance industry. This model is intended for consideration in insurance regulatory jurisdictions with a more restrictive rate filing and review system than outlined in the bill.

### 28. Resolution on the National Association of Insurance Commissioners (1996)

The Resolution on the National Association of Insurance Commissioners (NAIC) opposes the NAIC's current accreditation process and urges the NAIC to remain an advisor organization which does not attempt to use sanctions to force legislative action. Furthermore, the Resolution calls on the NAIC to create a mechanism whereby legislators are allowed to participate in the organization and provide input on legislative matters.

### 29. Resolution on the State Regulation of Insurance (2007)

The Resolution on the State Regulation of Insurance opposes any attempt by the federal government to regulate the insurance industry. Specifically, the Resolution calls on Congress to adopt a proportional liability scheme for cleaning up waste sites, giving states the maximum flexibility and capability to clean-up waste sites without passing clean-up costs to taxpayers through joint and several liability.

### 30. Resolution Opposing "Pay at the Pump" Automobile Insurance (1995)

"Pay at the pump" plans would replace the present personal choice automobile insurance market with a government program. Each car would be covered by basic auto insurance upon registration and issuance of license tags through higher registration and tag fees, and the state would use the proceeds of a gasoline surtax of up to 50 cents per gallon to pay for future claims. States would contract with insurance companies to handle claims, and insurance companies would compete in bidding to insure blocks of motorists. Individuals could exercise choice of package provided and, because of duplication in coverage and lower volumes, the cost of extra coverage would increase. The "Pay at the pump" plan rejects consumer choice and the relationship between risk and price would result in careful drivers subsidizing accident prone drivers and rural drivers subsidizing urban drivers.

#### 31. Resolution Supporting Territorial Rating (1995)

"Redlining" originally referred to the refusal to insure an area identified on a map by red lines. Redlining also is used to refer to discrimination in insurance coverage because of race, sex, or other arbitrary factors. However, redlining is illegal in all fifty states. Territorial rating, which should not be equated with "Redlining", refers to the legitimate business practice of factoring in the location of risk in determining an insurance premium. The frequency and severity of theft, natural disaster, arson, or other factors may be greater in one area than another.

#### 32. The Property/Casualty Insurance Form Filing Act (2000)

This model bill establishes a file and use system for the approval of policy forms and endorsements for personal and commercial lines of insurance. This creates a more competitive and less onerous regulatory environment in the insurance industry.

#### 33. The Uninsured Motorist Stipulation of Benefits Act (1995)

This bill is designed to reduce the number of uninsured motorists and to protect those who do comply with the fiscal responsibility laws from lawsuits by uninsured motorists.

### 34. Intermodal Policy Resolution (1995)

ALEC's Intermodal Policy Resolution supports the goal of an integrated transportation system that provides and enhances the Nation's system of moving freight and people.

#### 35. Public Transportation Consumer Protection Act (1995)

ALEC's model Public Transportation Consumer Protection Act is designed to provide the lowest possible cost of public transportation, consistent with service quality and safety standards by creating a competitive environment in which both public transit agencies and private transportation providers are fairly considered for operation of services.

#### 36. Pupil Transportation Cost-Effectiveness Act (1995)

ALEC's model Public Transportation Cost-Effectiveness Act is designed to reduce school bus expenditures, without reducing quality or safety, by competitively contracting out school bus services.

#### 37. Resolution on Secondary Boycotts (1995)

ALEC's model resolution highlights the impact and problems of secondary boycotts and calls for Congress to amend the Railway Labor Act to include rail and airline unions in prohibiting this unfair labor practice.

#### 38. Resolution on the Federal Employer's Liability Act (1995)

ALEC's model Resolution on the Federal Employer's Liability Act calls for Congress to repeal the Federal Employer's Liability Act (FELA) and place the railroad industry under no-fault worker's compensation laws, thus avoiding costly legal expenses.

#### 39. Resolution to Repeal Special Privileges in Transit (1995)

ALEC's model Resolution to Repeal Special Privileges In Transit would reduce or eliminate costly special privileges that grant transit workers benefits and provisions above the vast majority of American workers.

#### 40. The Water/Wastewater Utility Public-Private Partnership Act (1999)

This model bill creates a new and independent authority for government entities to utilize private sector investment and private entity services to study, plan, design, construct, develop, finance, maintain, rebuild, improve, repair, or operate, or any combination thereof, water and wastewater utilities. The government will ensure that the contractor is selected pursuant to a competitive negotiation process.

### 41. Independent Contractor Definition Act (1996)

Many workers often characterize themselves as independent contractors due to beneficial tax incentives, etc. However, when the worker is injured on the job, the worker may want to characterize him/herself as an employee in order to draw from the workers' compensation system, even though the worker may not have paid into the system. Confusion in the precise definition of an independent contractor has contributed to conflicting decisions by the courts on this matter. The Independent Contractor Definition Act simplifies the criteria used to define independent contractors with respect to private and public employees for the purpose of workers' compensation.

#### 42. The Employer Standing Act (1999)

The Employer Standing Act gives employers legal standing before the appropriate board or commission to dispose of a workers' compensation claim fraudulently filed by an employee.

#### 43. The Worker's Compensation as Exclusive Remedy Resolution (1999)

ALEC's Worker's Compensation as Exclusive Remedy Resolution reasserts the traditional no-fault principle upon which the system is based.

#### 44. Workers' Compensation Fraud Warning Act (1999)

The Workers' Compensation Fraud Warning Act authorizes an insurer or self-insured employer to provide notice to an injured worker on or with a check for temporary disability benefits that it is unlawful to make any knowingly false or fraudulent material statement for the purpose of obtaining worker' compensation. The notice would state that the acceptance of employment with a different employer that requires the performance of activities that the worker has stated that he or she cannot perform because of injury could constitute fraud and result in criminal prosecution.

#### 45. Workers' Compensation Medical Records Disclosure Act (2004)

This bill allows employer access to all relevant information pertaining only to injuries sustained on the job and does not allow employer access to other non-claims related information.

#### 46. Workplace Drug Testing Act (1995)

ALEC's model Workplace Drug Testing Act provides that an employer may test for drugs and alcohol in accordance with provisions in the Act, and establishes testing standards and procedures, and protections for the employee and employer.

### 47. Open Contracting Act (1995)

This act prohibits public agencies from imposing labor requirements as a condition of performing public works.

### 48. Political Funding Reform Act (1999)

This model bill prohibits the payroll deduction of monies used for political purposes. It also establishes penalties for a violation of this section.

#### 49. Public Employee Freedom Act (1999)

Excluded from National Labor Relations Act (NLRA), public employees are subject to state and local laws governing collective bargaining. Many of these laws are "monopoly bargaining laws," which means that even if an employee chooses not to join a union, he or she must accept the terms of the contract negotiated for unionized workers in the workplace. This act establishes the workers' right, in mutual agreement with the public employer, to representation by a public employee's own choosing.

# **50.** Resolution in Opposition to Frivolous Complaints and Permit Extortion (1996)

The Resolution in Opposition to Frivolous Complaints and Permit Extortion recognizes that some unions have engaged in questionable pressure tactics to put open shop companies out of business or force them to join a union. These

harassment and intimidation tactics have come in the form of frivolous and unwarranted complaints and environmental permit delays that are contrary to good public policy. This Resolution urges governments at all levels to enforce appropriate laws and to pass legislation to deter such tactics. The costs associated with defending frivolous complaints in legal and administrative actions have literally put some companies out of business. In the construction trades, such tactics can cause major delays, which can impose millions of dollars in additional costs. Often, when open shops concede to union demands, the complaints mysteriously disappear.

#### 51. Resolution in Opposition to Violence in Labor Disputes (2007)

The Anti-Racketeering Act of 1934 (The Copeland Act) marked the beginning of federal authority to prosecute and punish criminal acts of extortion affecting commerce. In response to union fears that the law could be applied to non-violent forms of protest, the bill was amended to read "[t]hat no court of the United States shall construe or apply any of the provisions of this Act in such a manner as to impair, diminish, or in any manner affect the rights of bona-fide labor organizations in lawfully carrying out the legitimate objectives thereof, as such rights are expressed in existing statutes of the United States." The Act was later amended by the Hobbs Act which provided that violent acts could be prosecuted under the Copeland Act, even where the acts were carried out in the name of legitimate objectives of bona fide labor organizations. The Hobbs Act was not meant to preempt state and local laws already in place to combat violence, but rather to supplement such laws. However, the corrections made to the Copeland Act by the Hobbs Act were nullified by the Supreme Court's ruling in *United* States v. Enmons, which held that the Hobbs Act is not applicable to violence that takes place in "an effort to promote appropriate collective bargaining demands." The Resolution in Opposition to Violence in Labor Disputes affirms the principle that violence in labor disputes is contrary to good public policy and urges governments at all levels to enforce current mechanisms and pass further legislation to deter such violence.

#### 52. Resolution on Release Time for Union Business (2007)

The Resolution on Release Time for Union Business opposes the practice of public sector union members receiving release time from their primary responsibilities to participate in union business.

# 53. Resolution Opposing "Card Check" and Forced, Compulsory Binding Arbitration (2007)

A resolution opposing federal legislative efforts to empower the government to establish a national commission to review and evaluate state workers' compensation laws.

# **54.** Resolution Urging Congress to Oppose Federal Standards for Monopoly Bargaining (2000)

This resolution urges Congress to reject legislation to federalize monopoly collective bargaining laws for state and local public safety employees such as police officers and firefighters. Such legislation would usurp the long-standing principle that state and local jurisdictions have authority over these workers. Currently, state and local governments are empowered to regulate collective bargaining activities for these employees. Fourteen states, in fact, have decided not to adopt monopoly bargaining for public safety workers. Proposed federal legislation would turn this on its head by granting the Federal Labor Relations Authority (FLRA) the power to impose monopoly bargaining for state and local jurisdictions that have declined until now.

#### **55. Right to Work Act (1995)**

ALEC's model Right to Work Act provides that no employee need join or pay dues to a union, or refrain from joining a union, as a condition of employment. The Act establishes penalties and remedies for violations of the Act's provisions.

#### 56. Public Prerogatives Act (1995)

Union contracts often constrain public agencies from obtaining or producing public services for the lowest cost. In the competitive private sector, the cost of contract provisions that limit contracting or the ability of management to assign work and employees efficiently may be avoided by buyers. However, taxpayers are compelled to bear the costs of restrictive contract provisions in the public sector. It should not be possible for a public agency to abdicate its duty to obtain public services for the lowest cost possible. This Act would forbid public agencies from bargaming over matters of inherent public prerogative. (Public prerogative has also been called "management rights" legislation.)

#### Consent Slate 1 – These policies would be amended as suggested.

Amendments below and marked on full policies at the end of this document.

#### 57. Employee Rights Reform Act (2000)

The purpose of this act is to: 1) limit the amount of compelled agency fees which may be exacted from public employees as a condition of continued employment; 2) provide public employees compelled to pay agency fees as a condition of continued employment with an expeditious way to protect their rights to their pro rata share of union expenditures; and 3) minimize litigation over the appropriate share of union dues that is allocated to collective bargaining, contract administration, and grievance adjustment; provided, however, that nothing herein

expresses or implies approval of laws requiring workers to pay unions for representation they do not want.

#### Proposed Amendments:

Strike Section 3(B) and insert, ""Available" means available on the World Wide Web."

In Section 4(B)(2) insert, "electronic" after "available for" and before "inspection to all represented employees

# 58. Resolution in Support of Reporting Requirements for Public Sector Unions (2007)

Currently, public sector unions are not required to adhere to the same reporting requirements as private sector unions. The Resolution in Support of Reporting Requirements for Public Sector Unions calls for legislatures to pass reporting requirements for public sector unions that are similar to requirements for private sector unions.

Proposed Amendments (also shown below): The model as drafted is consistent with ALEC principles but contains an error of fact. To correct it, replace all references to the National Labor Relations Act with references to the Labor Management Disclosure Act (LMDA) which is the applicable law.

### 59. Labor Peace Agreement Preemption Act (2001)

Local governments are under constant pressure from labor unions to require employers to adopt "labor peace" agreements as a condition for granting business licenses, zoning variances, waivers, and the like. These agreements force employers to waive their ability to express views in opposition to unionization, to forfeit their employees' rights to vote in a secret ballot election conducted by the National Labor Relations Board (NLRB), and to forfeit procedural protections of NLRB decisions regarding appropriate bargaining units and other related issues. This legislation declares this a matter of statewide concern and prohibits local governments from establishing such ordinances.

Proposed Amendments: The model as drafted is consistent with ALEC principles but contains an error of fact. To correct it, replace all references to the National Labor Relations Act with references to the Labor Management Disclosure Act (LMDA) which is the applicable law.

#### 60. Voluntary Contributions Act (2003)

The Voluntary Contributions Act requires labor organizations that engage in political activities to keep a segregated fund for political contributions. It further

specifies that contributions to that fund will be on a voluntary basis and the contribution shall be made directly by the donor. In addition, the Act prohibits payroll withholding of funds to be used for political purposes.

Proposed Amendments: Amend title to "Voluntary Contributions (Paycheck Protection) Act."

#### Consent Slate 2 – These policies would be allowed to sunset.

#### 61. Enterprise Zone Act (1995)

The Enterprise Zone Act establishes zones in depressed areas that have reduced taxes and removal of unnecessary government barriers to the production and earning of wages and profits and the creation of economic growth.

#### 62. The Home Ownership and Opportunity for People Everywhere Act (1995)

It is the intent of the legislature that this bill provide a mechanism for (insert state) to fulfill the non-federal matching funds requirements of the federal HOME and HOPE programs. The bill would authorize local government agencies to exempt, for a period of up to 20 years specified projects receiving funding pursuant to the federal HOME and HOPE programs from local taxes, fees, or assessments. The bill would also authorize redevelopment agencies to participate in federal projects that receive the federal funding and would authorize the (insert the state Housing Insurance Fund or other appropriate state housing authority's fund) to use its resources to assist specified entities that receive the federal funding.

### 63. The Right to Buy Public Housing (1995)

This act would require local housing authorities to provide residents of the housing projects the opportunity to purchase dwelling units, provided they meet certain requirements.

### 64. Real Estate and Economic Growth Resolution (1995)

This resolution calls on the United States Congress to reduce capital gains taxes, allow pension funds to be invested in real estate and provide a tax-credit for first time home buyers. These policies would add tremendous strength to the national economy, add jobs, raise tax revenues, bolster consumer confidence and strengthen financial institutions.

#### 65. Government Service Competition Act (1995)

This model bill provides a general model for state government privatization efforts. States should adapt this model to meet their own particular needs and circumstances regarding privatization. It prohibits state agencies, institutions, or political subdivisions supported in whole or part by any state revenues, from engaging in any activity which is in competition with private enterprise unless the agency, institution, or political subdivision can demonstrate that there is an overriding or compelling public interest served by the state's provision of the service. It also sets standards for state agencies, authorized to engage in activity in competition with private enterprise, to follow.

#### 66. Licensing and Certification Common Language Act (1995)

This Act would require that all activities related to the licensing of businesses, professionals and tradespersons by the State and its subdivisions be conducted in the English language.

#### 67. Public-Private Fair Competition Act (1995)

This act prohibits government from engaging in any commercial activity of any goods or services to or for government agencies or for public use which are also offered by private enterprise. It establishes a Private Enterprise Advisory Committee to act in conjunction with the state auditor to review and make determinations concerning state agencies engaged in or proposed to be engaged in activities which unfairly compete with the private sector. It also establishes a system to resolve complaints from the private sector regarding unlawful government activity established in this Act. (An example of this bill is Oregon BB #2778, 1993.)

#### 68. Uniform Photographic Records Act (1996)

Recent advances in the area of optical image technology provide an excellent opportunity for businesses to reduce the expense and liability associated with processing, storing, and retrieving paper documents and other business records. Optical imaging allows the user to make an exact representation, or copy of an original document. Some acceptable forms of optical imaging include: microfilm, microfiche, paper copies, and photographs. The Uniform Photographic Records Act establishes changes in evidentiary rules, allowing photographic records to be used as evidence, eliminating the need for individuals to keep original documents.

#### 69. Omnibus Common Language Act (1995)

This Act recognizes a common language and designates a common language as the language of public record and public meetings; repeals conflicting laws; and for other purposes.

#### 70. Public Employee Compensation Reporting Act (1995)

This bill establishes an annual requirement of public employee compensation reporting to track trends in public employee compensation and keep the public informed of public compensation levels.

#### 71. Resolution Opposing Comparable Worth Legislation (1999)

This resolution opposes legislation that would empower the government to require that men and women receive the same pay for different jobs, whose value would be determined by government. Comparable worth legislation often includes punitive damages that incite litigation and drive up costs, which ultimately destroys job opportunities for those it purports to help.

#### 72. Starting Minimum Wage Repeal Act (1996)

The Starting (Minimum) Wage Repeal Act repeals all starting (minimum) wage laws and preempts localities from enacting further laws that would attempt to establish a starting wage.

#### 73. Consumer Banking Act (1995)

The Consumer Banking Act defines a consumer bank and authorizes financially sound, diversified companies to invest in the banking industry through separate subsidiaries established to provide consumer financial services. These consumer banks are fully regulated and insured, are restricted in the types of loans and financial services they may offer, and are subject to strict provisions regarding associations with other subsidiaries of the same holding company. Under this Act, a consumer bank must comply with FDIC insurance requirements, must maintain capital in an amount equal to nine percent of total assets, and must adhere to state banking laws. Furthermore, a consumer bank is required to offer no interest-bearing checking accounts with reasonable fees and to make available consumer loans representing at least 60% of the bank's local consumer deposit portfolio.

#### 74. Deferred Presentment Services Act (1999)

This model bill establishes a system of regulations for those persons involved in the business of deferred presentment services.

#### 75. Nationwide Interstate Banking Act (1995)

The Nationwide Interstate Banking Act removes geographical barriers to bank expansion and permits reciprocal interstate banking. If passage of immediate nationwide interstate banking is not politically feasible in a particular state, this bill provides for an optional period of regional interstate banking with a trigger for nationwide interstate banking after an established period of time elapsed.

# 76. Principles of ALEC Regarding "Proposed Socially Conscious" Investments And Controversial Stock Divestiture

Fund managers have a fiduciary duty to their beneficiaries to maximize returns, and these professionals are fully capable of determining whether, ultimately, returns on controversial stocks are good investments. Government should stay out of these decisions and leave the job of picking winners and losers in the marketplace to the professionals.

# 77. Resolution Urging Congress to Modernize the Social Security System with Personal Retirement Accounts (PRA's)

Urges Congress to address the looming demographic problems of the Social Security system by increasing the system's rate of return, rather than by broadly cutting benefits or raising payroll taxes. Advocates reform legislation permitting workers to allocate a portion of their federal payroll taxes into personal retirement accounts that the workers would own and control.

# 78. Resolution Urging Congress to Oppose Measures Designed to Impose Ceilings on Credit Card Rates (1995)

This resolution opposes a national interest rate ceiling on credit cards. The resolution states that such a national cap would be inconsistent with our nation's free market principles and would inhibit the availability of credit. The resolution also explains that comparing credit card interest rates to other interest rates is an invalid comparison. Credit cards incur outside expenses such as sales transaction processing, authorization systems, and monthly billing. Therefore, credit cards interest rates are less responsive to changes in interest rates and should not be forced to adhere to unrealistic caps.

# 79. Resolution Urging Congress to Protect our Uniform National Credit System (2003)

This resolution supports the permanent extension of the seven areas of state law preemption contained in Section 624 of the Fair Credit Reporting Act that are due to sunset on December 31, 2003. The resolution states that the uniform operation of our national credit system, and its overall importance to our economy, requires that Congress act in this area.

#### 80. Consumer Choice Motor Vehicle Insurance Act (1999)

This Act would give motorists the right to choose the kind of personal protection available in case of an automobile accident and the amount of financial protection they deem appropriate and affordable. Instead of being forced to buy traditional fault liability insurance to protect strangers, motorists would have the opportunity to buy a new personal protection policy to protect themselves and their family members in the event of a motor vehicle accident. Motorists would also have the right to reject the provisions of this Act and thus retain all rights to sue under the

existing fault liability insurance system.

#### 81. Government-Related Insurers Not to be Authorized Act (2001)

The Government-Related Insurers Not to Be Authorized Act prohibits insurers from transacting insurance in this state if affiliated with the government. This act excludes the State Insurance Fund.

#### 82. Community Transportation Corporation Act (2002)

Provides guidelines and procedures for establishing a corporation for the funding, promotion, planning, design, construction, maintenance or operation of transportation projects.

### 83. Competitive Contracting of the Department of Motor Vehicles Act (1998)

The purpose of the bill is to require that the state's department of motor vehicles develop a competitive environment for the production of goods and services. This would be accomplished by an annual consideration of competitive contracts based upon a percentage of the DMV's budget. The DMV would also be required to institute a make or buy analysis when presented with a good faith petition by a private company indicating an interest in providing the service under contract to the DMV and for less than the internal cost of operation.

### 84. Resolution against Federal Weight-Distance Tax Proposal (1999)

Current proposals in Congress would repeal several existing federal highway user fees and impose in their place a federal weight-distance tax on motor carrier, calculated according to the weight of a truck, the number of its axles, and the distance it travels. The bill contemplates that state governments would assist in the administration, collection, and enforcement of the new tax. The proposed federal weight-distance tax represents a significant tax increase for most of the motor carrier industry, would impose burdensome administrative and compliance costs on government and industry, and, by reason of greatly increased tax evasion, threaten the integrity of the federal Highway Trust Fund.

# 85. Resolution Commending the Use of Remote Control Locomotive Technology (2003)

Recognizes and commends railroads of a state for their exemplary efforts to improve their safety and efficiency by embracing the proven and innovative technology that makes it possible to safely perform switching operations with remote controlled locomotives.

#### 86. Resolution in Support of Expanded "Highway Watch" Program (2003)

Endorses the trucking industry's Anti-Terrorism Action Plan utilizing the expanded "Highway Watch" program, further encourages each ALEC member's state to adopt the "Highway Watch" program and engage in cooperative efforts with the "Highway Watch" Operations Center and Truck ISAC.

#### 87. Resolution on Equitable Motor Carrier Regulatory Fees (1996)

This Resolution directs state public utility and public service commissions to assess regulatory fees against motor carriers based on the extent of reduced regulatory oversight required of that motor carrier.

#### 88. Resolution on the Federal Highway Trust Fund (1996)

Resolution to Congress to use Highway Trust Fund monies primarily for the needs associated with the construction, reconstruction, rehabilitation, and maintenance of the National Highway System (NHS).

# 89. Resolution Opposing Federal Non-Commercial Driver's License Standards (2002)

This resolution outlines the State of \_\_\_\_\_ opposition to federally mandated non-commercial drivers' license standards. Such standards, which are currently proposed in Congressional legislation in reaction to the revelation that some of the 9/11 terrorists fraudulently obtained state driver's licenses, is an unfunded mandate on our state and a violation of the Tenth Amendment to the US Constitution. Moreover, as currently proposed, these standards would establish the infrastructure and legal framework for a national identification system, which we oppose as well.

# 90. Resolution Opposing the U.S. Department of Transportation's Proposal on Truck Driver Hours of Service (2001)

Opposes the proposed hours of service rule and urges the Federal Motor Carrier Safety Administration to issue a new proposal that is not similar in substance to its previous proposal, and that is based on sound science, enhances public safety, and strengthens the ability of the trucking industry to meet the needs of the American economy.

# 91. Resolution to Eliminate the Clean Air Act's Employee Trip Reduction Provision (1995)

ALEC's model calls for an amendment to the Clean Air Act Amendments of 1990; the Provision in the Clean Air Act which calls for an Employee Trip Reduction should be changed to an option in each state's implementation plan.

# 92. Resolution to Restore to the States the Ability to Safely Regulate Vehicle Weight and Size to Meet their Transportation Needs (1998)

A Resolution for the purpose of petitioning the Congress of the United States to restore to the states the ability to safely regulate vehicle weight and size to meet their transportation needs.

#### 93. Statement on Aviation Funding (1999)

Aviation is a key component of a balanced transportation system and is vitally linked to regional growth and economic development efforts. The development and preservation of a balanced system of airports, which is responsive to the needs of all sectors of the nation, is the mutual responsibility of federal, state and local governments.

### 94. The State Driver's License and Identification Security Act (2002)

This Act provides greater security in issuing state driver's licenses and identification by raising the verification standards for originating documents. It authorizes the State Department of Motor Vehicles to refuse to issue a license, permit or identification if reasonable doubt to the authenticity of verifying documents exists. In addition, this legislation requires that, for non-citizens, the driver's license expires no later than the expiration date of the visa. It also provides for increased penalties for those who possess, sell or use fraudulent documents to obtain a driver's license or other identification.

### 95. Urban Transit Administration Act (1995)

ALEC's Urban Transit Administration Act is designed to achieve greater efficiency through competitively contracting transit services. This will be fulfilled through a "Regional Transit Policy Commission" that shifts at least five percent of non-competitive bus services and at least five percent of non-competitive paratransit services to public-private competition.

#### 96. The Workplace Responsibility Act (2003)

The Workplace Responsibility Act requires that employees show that their drug and alcohol use did not cause a workplace accident, and that accidents caused by drug and alcohol use are not compensable by worker's compensation. Currently, the burden is on employers to show that drug and alcohol use caused a workplace accident, which is a nearly impossible standard to prove.

#### 97. Prohibition of Negative Check-Off Act (1996)

The Prohibition of Negative Check-Off Act delineates the enforcement of financial arrangements that are not entered into by the payer. The Act declares that non-voluntary payments and negative check-off plans are void as against public policy.

#### 98. Prohibition on Compensation Deductions Act (1996)

The Prohibition on Compensation Deductions Act prohibits state agencies and political subdivisions of the state from deducting from the compensation of any employee any money from which a contribution is made to a political committee or to an intermediary through which any amount is provided to a political committee.

#### 99. Public Employer Payroll Deduction Policy Act (1999)

This model bill prohibits the payroll deduction of membership dues by public employers.

# 100. Resolution in Opposition to Salting (Harassing or Disruptive Union Organizing) (1996)

"Salting" abuse is the placing of trained union professional organizers and agents in a nonunion facility to harass or disrupt company operations, apply economic pressure, increase operating and legal costs, and ultimately put the company out of business. The objectives of the union agents are accomplished through filing frivolous and unfair labor procedure complaints or discrimination charges against the employer with the National Labor Relations Board (NLRB), the Occupational Safety and Health Administration (OSHA), and the Equal Employment Opportunity Commission (EEOC). Salting campaigns have been used successfully in the construction industry and are quickly expanding into other industries across the country. The Resolution In Opposition to Salting (Harassing or Disruptive Union Organizing) affirms the principle that salting activities are contrary to good public policy and urges Congress to pass legislation so that employers are not required to employ any employee or agent of any other person, where the employee or agent seeks access to the employer's workplace in furtherance of their other employment or agency status.

#### 101. Resolution in Support of Employee Involvement (1996)

The Resolution in Support of Employee Involvement recognizes that employee involvement structures, such as safety committees, quality circles and self-managed work teams can be beneficial to a workplace. However, such structures are threatened by the United States Supreme Court's *Electromation* case, where the Court held that such work teams may be illegal in non-union shops because the National Labor Relations Act (NLRA), Section 8(a)(2) prohibits employer "domination, interference or support" of a "labor organization," i.e., "company unions." Congress is considering legislation known as the TEAM Act that would

prevent employee involvement structures from being interpreted as companydominated unions.

#### 102. Public Pay Equity Act (1995)

This bill establishes an annual ceiling liming public employee compensation to the same charge as has occurred over the last year in the private sector. If private compensation has increased, average public compensation can increase by no more than that amount. Similarly, if private compensation has decreased, average public compensation must decease by at least that same percentage.

#### 103. Resolution on Franchise and Business Agreement Legislation (1996)

This resolution recognizes that business and franchise agreements as contracts, which, freely and openly entered into by the parties, should not be impaired.

#### 104. Act Regarding the Use of Credit Information in Personal Insurance (2003)

Regulates the use of credit information for personal insurance, so that consumers are afforded certain protections with respect to the use of such information.

# Consent Slate 3 - These policies would be referred to the appropriate Subcommittee or Task Force as indicated.

### 105. Resolution in Support of Federal Pension Portability Legislation (2001)

This resolution supports federal legislation designed to improve portability and raise contribution limits to retirement programs such as 403(b), 401(k), 457 and 401(a) plans. This legislation is especially important to public employees, many of whom are not currently able to roll their retirement benefits to other qualified defined contribution plans.

Retain and refer to Tax and Fiscal Policy Task Force.

#### 106. The Multi-Passenger Transportation Deregulation Act (1998)

An Act to create a more efficient transit system by eliminating the bus service monopoly and allowing multi-passenger van services to compete in the transit market.

Sunset policy and refer issue to Transportation and Infrastructure Subcommittee.

#### 107. At-will Employment Act (1996)

Under traditional "at will" employment, either the employee or employer can terminate the employment relationship at any time for any reason or no reason at all. Many courts and legislatures have modified this traditional relationship, sometimes even requiring an employer to show good cause before being able to terminate the employment relationship. The At-Will Employment Act stipulates that employment relationships shall be "at-will," unless otherwise specified in an

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### Appendix: Consent Slate 1 – Proposed Amendments

#### 57. Employee Rights Reform Act

Proposed Amendments (also shown below):

Strike Section 3(B) and insert, ""Available" means available on the World Wide Web."

In Section 4(B)(2) insert, "electronic" after "available for" and before "inspection to all represented employees

#### Summary

The purpose of this act is to: 1) limit the amount of compelled agency fees which may be exacted from public employees as a condition of continued employment; 2) provide public employees compelled to pay agency fees as a condition of continued employment with an expeditious way to protect their rights to their pro rata share of union expenditures; and 3) minimize litigation over the appropriate share of union dues that is allocated to collective bargaining, contract administration, and grievance adjustment; provided, however, that nothing herein expresses or implies approval of laws requiring workers to pay unions for representation they do not want.

Note: In no way does ALEC endorse agency fee requirements. However, ALEC realizes that full employee choice in the workplace is not currently an available option in every state. Therefore, ALEC is suggesting this legislation for states that currently have agency fees, to alleviate the effects of such requirements.

### Model Legislation

Section 1. {Short Title} This Act shall be known as the Employee Rights Reform Act.

#### Section 2. {Legislative declarations} This legislature finds and declares:

A. That many public employees are required against their will to pay agency fees for representation they do not want; and

- B. The U.S. Supreme Court has held that the amount of agency fees must not exceed the fee payer's pro rata share of union expenses for collective bargaining, contract administration, and grievance processing; and
- C. That fee payers are unable to protect themselves against excessive fees unless fee payers have prompt access to union audited financial statements and other books and records; and

D. That legislation is imperative to provide such access and thereby protect agency fee payers from excessive fees.

#### Section 3. {Definitions}

- A. "Agency fee payer" means an individual who is not a union member, but is employed in a bargaining unit represented by an exclusive representative that has negotiated a "union security" or "agency shop" clause subjecting all represented employees to the obligation to either maintain membership in the exclusive representative, or pay some portion of union dues as a condition of continued employment with the public employer. No agency fee payer shall be deemed to have consented to any exaction of agency fees as a condition of continued employment.
- B. "Available" means available for inspection at no cost upon written request at the local office of the exclusive representative. "Available" means available on the World Wide Web.
- C. "Chargeable activity" means an expenditure or activity for purposes of collective bargaining, contract administration, and grievance adjustment undertaken by the exclusive representative, or an affiliate of the exclusive representative, directly on behalf of the bargaining unit in which the "agency fee payer" is employed.
- D. "Expenditure" means all union expenditures of funds in any amount.
- E. "Nonchargeable activity" means an expenditure or activity for purposes other than collective bargaining, contract administration, and grievance adjustment undertaken by the exclusive representative, or an affiliate of the exclusive representative, on behalf of the bargaining unit in which the "agency fee payer" is employed, including, but not limited to, organizing activities, social activities, and activities to maintain the exclusive representative's corporate existence.
- F. For the purposes of this Act, "public employer" means any state or local government, government agency, government instrumentality, special district, joint powers authority, school board or special purpose organization that employs one or more persons in any capacity.

#### **Section 4. {Compliance}**

A. Public employers negotiating and enforcing "union security" or "agency shop" clauses in their agreements with an exclusive representative of its employees shall exact from nonmembers not more than their pro rata share of the "exclusive representative" chargeable costs, as set forth herein. Under no circumstances shall a public employer deduct full union dues from the wages of any employee not specifically authorizing such deductions.

- B. Exclusive representatives of public employees negotiating "union security" or "agency shop" clauses in their agreements with public employers shall, as a condition of enforcement of such agreements:
  - 1) require their employees to prepare and maintain contemporaneous records recording the nature of their activities and the amount of time expended in each such activity, and shall allocate those activities into chargeable and nonchargeable categories; and
  - 2) make such records available for <u>electronic</u> inspection to all represented employees within fourteen (14) days after a request for inspection.
- C. To fulfill the purposes of this Act, exclusive representatives shall allocate all public employee time and expenditures as either "chargeable to agency fee payer" or "nonchargeable to agency fee payers" not later than fourteen (14) days after the date upon which the activity occurs. All activities and expenditures not so allocated within the required period shall be deemed "nonchargeable to agency fee payers."
- D. As to determining the "chargeablility" of political and ideological activities and expenditures, the exclusive representative shall apply the legal standards set forth in controlling court decisions. As to determining the "chargeability" of all other activities and expenditures, the exclusive representative shall limit the "chargeable" activities to those collective bargaining, contract administration, and grievance adjustment activities undertaken for, or on behalf of the bargaining unit within which the agency fee payer is employed. It is the purpose of this section to timit "chargeable expenditures" to a greater degree than set forth in the Supreme Court's decision in Lehnert v. Ferris Faculty Ass'n, 500 U.S. 507 (1991).
- E. All allocations of activities and expenditures of an exclusive representative shall be made available to represented employees no later than twenty-eight (28) calendar days after the activity or expenditure. Any activity or expenditure not made available for review within such period shall be deemed "nonchargeable" to agency fee payers.
- F. To the extent that the exclusive representative may, by virtue of its affiliation with a regional, state, national, international, or ant other form of affiliated labor organization, seek to compel represented employees to subsidize the activities of such affiliate or affiliates, similar records must be provided to, and maintained by the exclusive representative. Payments made by an exclusive representative to any such affiliate not maintaining and providing such records to the exclusive representative shall be deemed "nonchargeable to agency fee payer."
- G. For activities or expenditures continuing for more than fourteen (14) days, the exclusive representative shall provide an estimate of the duration and anticipated

allocation to "chargeable" and "nonchargeable" costs in records made available for review pursuant to the terms of this section.

H. This section shall be liberally construed to provide represented employees with timely information about the allocations of activities and expenditures of the exclusive representative as chargeable and nonchargeable to agency fee payers.

#### **Section 5. {Penalties}**

- A. An exclusive representative failing to prepare and make reports available as set forth herein shall be deemed to have surrendered its authority to collect from nonmembers agency fees for a period of one (1) month. After two such occurrences, the exclusive representative shall be deemed to have surrendered its authority to collect from nonmembers agency fees for a period of one (1) year.
- B. Upon sworn written notice to a public employer of an exclusive representative's failure to provide a timely opportunity for inspection, a public employer shall suspend deductions of agency fees from all agency fee payers for a period of one (1) month. After two (2) such occurrences, the public employer shall suspend deductions of all agency fees from all agency fee payers for a period of one (1) year.
- C. A public employer failing to comply with this section shall be liable to all agency fee payers for an amount equal to twice the fees wrongfully held, plus the costs (including attorney's fees) of any action to recover such fees.

#### Section 6. {Effective Date}

**Section 7.** {Severability Clause} The provisions of this Act are severable. If any provision of this measure or its application to any person or circumstance is held invalid, that invalidity shall not affect any other provision or application of this measure which can be given effect without the invalid provision or application. If any provision of this measure is held to be in conflict with federal law, that provision shall remain in full force and effect to the maximum extent permitted by federal law. For purposes of this section, "provision" shall mean any section, subdivision, sentence, phrase or word.

**Section 8.** {Construction} This Act shall be liberally construed to accomplish its purposes. Compliance herewith is not intended to, nor is to be construed as, substitute for compliance with "the constitutional requirements for the...collection of agency fees." Teachers Local No. 1 v. Hudson, 475 U.S. 292 (1986).

# **58.** Resolution in Support of Reporting Requirements for Public Sector Unions

Proposed Amendments (also shown below): The model as drafted is consistent with ALEC principles but contains an error of fact. To correct it, replace all references to the National Labor Relations Act with references to the Labor Management Disclosure Act (LMDA) which is the applicable law.

#### Summary

Currently, public sector unions are not required to adhere to the same reporting requirements as private sector unions. The Resolution In Support of Reporting Requirements for Public Sector Unions calls for legislatures to pass reporting requirements for public sector unions that are similar to requirements for private sector unions.

#### Model Resolution

WHEREAS, private sector unions are required by the National Labor Relations Act (NLRA) Labor Management Disclosure Act (LMDA) to adhere to reporting and disclosure requirements; and

WHEREAS, state and local public sector unions are governed by state and local law and are not required to meet the same requirements under the NLRA LMDA; and

WHEREAS, the absence of such requirements results in represented persons not knowing the salaries, benefits, etc. of their so-called "bargaining representatives"; and

WHEREAS, any organization or association of employees, and any agency, employee representation committee, or plan in which employees participate that exists in whole or in part, to advocate on behalf of employees about grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work could be defined as a union;

**BE IT FURTHER RESOLVED** that the State/Commonwealth of (insert state) supports federal legislation that requires interstate public sector unions to meet the same reporting required by the NLRA LMDA for private sector unions.

#### 59. Labor Peace Agreement Preemption Act

Proposed Amendments: The model is consistent with ALEC principles but to clarify its purpose we should amend the title to "Labor Peace Agreement Preemption Act (Project Labor Agreement Ban)."

#### Summary

Local governments are under constant pressure from labor unions to require employers to adopt "labor peace" agreements as a condition for granting business licenses, zoning variances, waivers, and the like. These agreements force employers to waive their ability to express views in opposition to unionization, to forfeit their employees' rights to vote in a secret ballot election conducted by the National Labor Relations Board (NLRB), and to forfeit procedural protections of NLRB decisions regarding appropriate bargaining units and other related issues. This legislation declares this a matter of statewide concern and prohibits local governments from establishing such ordinances.

Section 1. The Labor-Peace Agreement Preemption Act
Section 2. (Statement and Section 2. {Statement of Purpose} The purpose of this legislation is to ensure that employers cannot be compelled by local governments to forfeit rights guaranteed them under the Labor Management Relations Act, the National Labor Relations Act and the Railway Labor Act(the "Acts ") in order to obtain zoning variances, waivers, and business licenses.

#### **Section 3. {Definitions}** For the purposes of this Section:

- (1) "Employer" means a person, association, legal, or commercial entity receiving services from an employee and, in return, giving compensation of any kind to such employee.
- (2) "Federal labor laws" means the National Labor Relations Act, the Labor Management Relations Act and the Railway Labor Act, hereinafter collectively referred to as "the Acts", Presidential Executive Orders issued relating to labor/management or employee/employer issues and the United States Constitution as amended and as construed by the federal courts. The rights protected under the federal labor laws include but are not limited to:
  - (a) An employer's or employee's right to express views on unionization and any other labor relations issues to the full extent allowed by the First Amendment of the United States Constitution and Section 8(c) of the National Labor Relations Act.

- (b) An employer's right to demand, and an employee's right to participate in, a secret ballot election under the Acts, including without limitation, the full procedural protections afforded by the Acts for defining the unit, conducting the election campaign and election, and making any challenges or objections thereto.
- (c) An employer's right not to release employee information and an employee's right to maintain the confidentiality of his or her information to the maximum extent allowed by the Acts.
- (d) An employer's right to restrict access to its property or business to the maximum extent allowed by the Acts.
- (e) An employer's right to negotiate over all mandatory and permissive issues of collective bargaining to the maximum extent allowed by the Acts.
- (3) "Governmental body" means any local government or its subdivision, including but not limited to cities, parishes, municipalities, and any public body, agency, board, commission or other governmental, quasi governmental, or quasi public body or any body that acts or purports to act in a commercial, business, economic development, or like capacity of local government or its subdivision.

#### **Section 4. {Legislation}**

- A. Any agreement, contract, understanding or practice, written or oral, implied or expressed, between any employer and any labor organization in violation of the provisions of this Part is hereby declared to be unlawful, null and void, and of no legal effect.
- B. No governmental body may pass any law, ordinance, or regulation, or impose any contractual, zoning, permitting, licensing, or other condition on, with employers' or employees' full freedom to act under the federal labor laws. Such prohibited actions shall include but not be limited to:
  - (1) Conditioning any purchase, sale, lease, loan or other business or commercial transaction with any employer on waiver or limitation of any right the employer may have under the federal labor laws.
  - (2) Conditioning any regulatory, zoning, permitting, licensing, or any other governmental requirement, or any tax or free abatement, with any employer on waiver or limitation of any right the employer may have under the federal labor laws.

- (3) Enacting any ordinance, regulation, or other action that waives or limits any right the employer may have under the federal labor laws.
- (4) Conditioning or requiring any employer to not deal with another employer on waiver or limitation of any right either employer may have under the federal labor laws.

C. An employer or employee is entitled to and shall receive injunctive relief necessary to prevent any violations of this Section.

Section 5. {Limitations} Nothing in this legislation should be construed as limiting the regulatory, legal or preemptive operation of the National Labor Relations Act, the Labor management Relations Act, or the Railway Labor Act.

**Section 6. {Effective Date}** 

Adopted by the CIED Task Force at the Annual Meeting, August 3, 2001, Approved by the ALEC Legislative Board September 2001.

#### **60. Voluntary Contributions Act**

Proposed Amendments: Amend title to "Voluntary Contributions (Paycheck Protection) Act."

#### Summary

The Voluntary Contributions Act requires labor organizations that engage in political activities to keep a segregated fund for political contributions. It further specifies that contributions to that fund will be on a voluntary basis and the contribution shall be made directly by the donor. In addition, the Act prohibits payroll withholding of funds to be used for political purposes.

Note: This model is adapted from Idaho House Bill 329, enacted, and signed into law in 2003.

#### **Model Legislation**

**Section 1. {Title}** This Act shall be known as the "Voluntary Contributions Act."

**Section 2. {Definitions}** As used in this Act, the following terms have the following meanings:

- (A). "Ballot proposition" includes initiatives, referenda, proposed constitutional amendments, and any other items submitted to the voters for their approval or rejection.
- (B). "Filing entity" means a candidate, officeholder, political committee, political party, and each other entity required to report contributions under [insert reference to applicable state law]
- (C). "Fund" means the separate segregated fund established by a labor organization for political purposes according to the procedures and requirements of this Act.
- (D). 1. "Labor organization" means any association or organization of employees, and any agency, employee representation committee, or plan in which employees participate that exists, in whole or in part, to advocate on behalf of employees about grievances, labor disputes, wages, rates of pay, hours or condition of employment.
  - 2. Except as provided in (D)(1) of this section, "labor organization" includes each employee association and union for employees of public and private sector employers.
  - 3. "Labor organization" does not include organizations governed by the national labor relations act, 29 U.S.C. section 151, et. seq. or the railway labor act, 45 U.S.C. section 151, et. seq.

- (E). "Political activities" means electoral activities, independent expenditures, or expenditures made to any candidate, political party, political action committee, voter registration campaign, or any other political or legislative cause, including ballot propositions.
- (F). "Union dues" means dues, fees, or other moneys required as a condition of membership in a labor organization.

#### **Section 3. {Limits on Labor Organization Contributions}**

- (A). 1. A labor organization may only make expenditures for political activities if the labor organization establishes a separate, segregated fund that meets the requirements of this Act.
  - 2. A labor organization shall ensure that:
    - i. In soliciting contributions for the fund, the solicitor discloses, in clear and unambiguous language on the face of the solicitation, that contributions are voluntary and that the fund is a political fund and will be expended for political activities;
    - ii. Union dues are not used for political activities, transferred to the fund, or intermingled in any way with fund moneys;
    - iii. The cost of administering the fund is paid from fund contributions and not from union dues; and
    - iv. Each contribution is voluntary and shall be made by the member and may not come from or be remitted by the employer of the member.
- (B). At the time the labor organization is soliciting contributions for the fund from an employee, the labor organization shall:
  - 1. Affirmatively inform the employee, orally or in writing, of the fund's political purpose; and
  - 2. Affirmatively inform the employee, orally or in writing, of the employee's right to refuse to contribute without fear of reprisal or loss of membership in the labor organization.
- (C). The labor organization has the burden of proof to establish that the requirements of (A)(2) and (B) of this section are met.

(D). Notwithstanding the requirements of (A)(2)(ii) of this section, a labor organization may use union dues to communicate directly with its own members about political candidates, ballot propositions, and other political issues.

#### **Section 4. {Criminal Acts, Penalties}**

- (A). 1. It is unlawful for a labor organization to make expenditures for political activities by using contributions:
  - i. Secured by physical force or threat of force, job discrimination or threat of job discrimination, membership discrimination or threat of membership discrimination, or economic reprisals or threat of economic reprisals; or
  - ii. [if necessary, insert the following:] From union dues except as provided in [insert reference to applicable state law].
  - 2. When a labor organization is soliciting contributions for a fund from an employee, it is unlawful for a labor organization to fail to:
    - i. Affirmatively inform the employee orally or in writing of the fund's political purpose; and
    - ii. Affirmatively inform the employee orally or in writing of the employee's right to refuse to contribute without fear of reprisal or loss of membership in the labor organization.
  - 3. It is unlawful for a labor organization to pay a member for contributing to the fund by providing a bonus, expense account, rebate of union dues, or by any other form of direct or indirect compensation.
- (B). Any person or entity violating this section is guilty of a misdemeanor.

**Section 5.** {**Registration, Disclosure**} Each fund established by a labor organization under this Act shall:

- (A). Register as a political committee as required by [insert reference to applicable state law].
- (B). File the financial reports for political committees required by [insert reference to applicable state law].

**Section 6. {Prospective Application}** The provisions of this Act shall apply to all contracts entered into after the effective date of this Act, and shall apply to any renewal of existing contract.

#### **Section 7. {Severability}**

#### **Section 8. {Repealer Clause}**

**Section 9. {Effective Date}** 

Adopted by the CIED Task Force at the Spring Task Force Summit, April 30, 2003. Approved by the ALEC Legislative Board May 2004.

