

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

1337

2001 HOUSE FINANCE AND TAXATION

HB 1337

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1337

House Finance and Taxation Committee

☐ Conference Committee

Hearing Date January 24, 2001

Tape Number	Side A	Side B	Meter #
1		X	5,070
2	X		0
Committee Clerk Signature <i>Janice Stein</i>			

Minutes:

**REP. AL CARLSON, CHAIRMAN** Opened the hearing and read the fiscal note.

**REP. BLAIR THORESON, DIST. 44, FARGO,** Introduced the bill. See attached written testimony.

**SEN. BOB STENEHJEM, DIST. 30** Testified in support of the bill. He felt it is very important that workers that are having money withheld from their paycheck, for whatever purposes, have a right to decide for what purposes those withholdings are used. This is a great opportunity for organizations and unions. I know several people, who have either not joined, or cancelled their membership to unions, simply because of the union or their political activity. This will give them an opportunity to get back into the union and help them with the bargaining for their wages and worker's rights.

**REP. WINN RICH** TO **REP. THORESON** You sort of imply that money is being withheld without the permission of the individuals, do you have any instances of that?

**REP. THORESON** Not in all cases, what is happening is, in some situations, many of the members are given a chance to opt out at the beginning of joining the organization, and after that, they don't have a period where they can withdraw from that. This legislation reverses the process. You can opt in, then on an annual basis, they can decide if they want part of their wages or compensation go to a segregated forum.

**REP. WINRICH** Are you talking about union dues here?

**REP. THORESON** Union dues, salary or other forms of compensation as is addressed in the bill.

**REP. WINRICH** To the best of my knowledge, in order to have something held from a person's pay, that person must specifically authorize a withholding.

**REP. THORESON** I am not certain of the situation in all organizations, but from what I have understood and from the members of different groups, they may have one opportunity when they join, and that is it. They can join or quit, then they aren't represented. By passing this law, we would give them a chance, annually, to decide whether they want part of their money to go to political purposes, but still have the opportunity to have grievance resolution, contract negotiation, and that type of thing.

**REP. WINRICH** My experience is certainly different, one, I think such deductions must specifically be authorized, and two, I believe the individual has the right to unauthorize them at any time. You noted in the bill on lines 19 to 23, where the term "union" is defined as being an association of employees that has as its primary purpose the promotion of the economic interests of its members and goes on to say, that the organization is freely chosen by the majority of employees as a bargaining group, and in fact, decisions of that union are made by a majority of

the members of the union. We just dealt with three bills where it would primarily affect the economic interests of certain groups, wind energy developers, etc. They are looking for help from legislation. Isn't it conceivable that legislation might affect the economic interests of workers and that unions would have a legitimate interest in legislation and political activity?

**REP. THORESON** I am not certain that I can answer that at this time.

**REP. KROEBER** Would groups such as Meridian, Credit Unions, A T & T, would they be included in this?

**REP. THORESON** Yes, this does include organizations, I believe there are people here from certain organizations who will want to address that.

**REP. KROEBER** This affects everyone who gives money to a candidate, is going to have to do this periodic reporting every thirty days.

**REP. THORESON** Any person who gives to a segregated fund, such as political action committees, or organizations, yes, they would.

**REP. KROEBER** If I am taking a member of NRA, a member of NRA will have to fill this out with our Secretary of State on all of their members?

**REP. THORESON** If they are using a portion of your dues to the NRA for political purposes, if they have a segregated fund.

**REP. CARLSON** Is the definition of "union" found somewhere else in code?

**REP. THORESON** This was added by the legislative council, I am not certain if it is in code any place.

**REP. DROYDAL** Does this mean anybody who has contributed to a political action committee or anybody who has contributions automatically deducted from their wages?

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House Finance and Taxation Committee

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**REP. THORESON** Must be a segregated fund.

**REP. LLOYD** I thought this was in regard to employees of an organization.

**REP. THORESON** Under the lanugage in the code, when they say association, it means a club, union, fraternity, Yes, those organizations are covered.

**DE ANN BJORNSON, AMERICANS FOR TAX REFORM** Testified in support of the bill. See attached written testimony. She related to the question regarding clubs and organizations, stating it does apply to all organizations and associations. What we are looking at within this bill, are the payroll deductions. If you write a check for dues for the NRA, that would be your written consent. Any company that is doing payroll deductions for their salaries, wages or any compensation.

**REP. KROEBER** What is the number of your membership in North Dakota of the Americans for Tax Reform Group?

**DE ANN BJORNSON** At this time, I don't have a current list, but I will be happy to provide that to you.

**REP. SCHMIDT** Related to the new language on page 5, line 21 and 22, it states dues being collected by force, is that a problem in North Dakota?

**DE ANN BJORNSON** I believe that was just put in to further clarify that that is not acceptable, it does not imply that it is happening.

**JACK KAVANEY, LEADERSHIP COUNCIL CHAIRMAN FOR NFIB**, Testified in support of the bill. Submitted handouts to the committee regarding NFIB of North Dakota. Also submitted a copy of a ballot survey. He related to one question on the ballot survey, which was "should a cabinet level Department of Commerce be established in North Dakota", we had a

forty eight percent return which is not substantial enough for us to take a position on. Related to another question "should unions get a worker's permission before using a portion of his or her union dues on politics" ninety five percent of our responses, the greatest response we have ever had, said YES. Ninety five percent of our workers told us, we believe we have problems. We do this three times a year. Read from his handout pertaining to paycheck protection.

**REP. WINRICH** It is my understanding that it is against the law for union dues to be used for political purposes in North Dakota, do you know of a specific instance where union dues were used for a political purpose?

**JACK KAVANEY** No

**REP. WINRICH** If ninety percent of your membership said union dues should not be used on politics, that is essentially an endorsement of the current law?

**JACK KAVANEY** I don't know.

**STEVEN L. LATHAM, ON BEHALF OF AFL-CIO** Testified in opposition of the bill.  
See attached written testimony.

**REP. CARLSON** On the difference between communicating and funding, I don't think it says you can't communicate does it?

**STEVEN LATHAM** The intent of this bill is to prevent union officers who are paid out of the union's general fund, from communicating with their members, for a political purpose.

**REP. CARLSON** Show me where it says they can't communicate with them.

**STEVEN LATHAM** Under the definition of a contribution, means wages, salaries, union dues, used for a political purpose, then it goes on to expand on the political purpose. What this section says, is when a union's wages are used to pay a union officer and those officers communicate to

their members, on particular political issues, that would be a contribution, that then is later prohibited under the next section.

**REP. DROVDAL** The presenter of the bill said this only dealt with PAC contributions, you are saying, because of the definition, it also includes the union dues, themselves?

**STEVEN LATHAM** This adds to the definition of contributions, to include wages, and wages are paid by union dues. When those people who are paid, take a political issue, that becomes a contribution, under this definition.

**REP. WINRICH** At the present time, all of the money I get in salary, is automatically deposited in my checking account, I in turn, have authorized certain electronic transfers to pay continuing bills, etc., if I authorize an electronic transfer to a segregated fund, is it conceivable that it may be interpreted as such a contribution under this bill, and the bank would have to get involved in reporting these things?

**STEVEN LATHAM** It is possible, we don't know what the practical effects will be with this legislation. This type of legislation has been considered by at least twenty other states, and rejected everywhere.

**CHRIS RUNGE, SECRETARY-TREASURER OF THE NORTH DAKOTA AFL-CIO  
AND EXECUTIVE DIRECTOR OF THE NORTH DAKOTA PUBLIC EMPLOYEES  
ASSOCIATION, AMERICAN FEDERATION OF TEACHERS AND LOCAL 4660,**

Testified in opposition of the bill. See attached written testimony.

**REP. DROVDAL** If a union member wants to discontinue giving to the PAC, what is the process that he or she must go through to get the payroll deduction corrected.



**CHRIS RUNGE** All they have to do is go to their payroll clerk and discontinue that. In my organization, I may not find out for a month that someone has either quit the organization or has discontinued the PAC. They simply go their payroll clerk and say, I don't want to participate. That is immediate, there is no 30 day waiting period. It is done.

**REP. DROVDAL** Is that true for all unions in North Dakota?

**CHRIS RUNGE** It is my understanding that no union member is forced to participate in a PAC, it is against the law, it is totally voluntary.

**REP. CARLSON** When you have the deduction, for example, is it two categories then?

**CHRIS RUNGE** They are not going to be separate, segregated funds.

**REP. LLOYD** Can they opt back in, after they opt out.

**CHRIS RUNGE** At any time a member wants to join a union or a PAC, they are more than welcome to do so.

**REP. HERBEL** What percentage of your people have opted out?

**CHRIS RUNGE** I would say about one third of the members participate voluntarily in our PAC

**REP. CLARK** It is my understanding, since the segregated funds already exist, that you don't have any problems with the way that part of the bill is worded, your problem, basically lies, with the communication aspect?

**CHRIS RUNGE** That is not correct. We have a problem with the entire bill. We feel this bill infringes on our right, as an organization, to decide how this organization will run. We feel that the government is interfering, and trying to tell us, who we can accept as members and who we don't accept as members.

**SHEILA DAVIS, FORMER OPERATOR**, Testified in opposition of the bill. Stated she retired three days ago, but will continue to support her union, will continue to pay dues through her retirement, because she needs a voice. I worked in the same office that Rep. Thoreson has worked in. I think he is confused. My union at the telephone company is ninety six percent unionized, that is North Dakota, so that means it is voluntary. It is not like Minnesota, where they have to. I know he was not a member while he was there, so he continued to reap the benefits of the pay and his ability to come to be part of the legislation. However, he didn't fully understand or go into it, because he would understand the dues are a separate thing. I sign a little card saying that I am going to give to my political candidate, and yes, it is separate on my paycheck. It is something that I have to freely give. One thing that confused me is, if I can't give to who I want to and let that party go with it, then if, say the Republicans got into office or something, and I am a Democrat, do I no longer have to pay my taxes because I don't support what they support?

**REP. CARLSON** Stated that the amendments to the bill will be looked at when the bill is acted on. Any one who wants to be notified when we act on the bill, can let us know, so they can have their say. If you have testimony that you want to give, and did not give it, you are welcome to give it to us. He also reminded everyone to sign the register.

With no further testimony, the hearing was closed.

**COMMITTEE ACTION 1-31-01, TAPE #3, SIDE B, Meter 0**

**CORY FONG, NORTH DAKOTA SECRETARY OF STATE'S OFFICE** Appeared before the committee to submit amendments to the bill. He explained his amendments and how they make the bill work.

**MARK BACHMEIER, NORTH DAKOTA LABOR COMMISSION**, Appeared before the committee to answer questions and explain the work which would be awarded to their department through this bill. He stated he didn't know if they would have to hire additional staff to take care of this work.

**REP. THORESON** Appeared before the committee to submit amendments and to explain what they did.

**DIANE BJORNSON**, Appeared before the committee to answer questions, and to state again that no one is having contributions taken from their salary without their approval.  
The bill will be acted on at a later date.

**COMMITTEE ACTION 2-12-01, TAPE #1, SIDE B, METER # 3990**

Two sets of amendments were discussed,

**REP. DROVDAL** Made a motion to adopt amendments .0101.

**REP. GROSZ** Second the motion. **MOTION CARRIED BY VOICE VOTE.**

There were several more suggestions for amendments during discussion.

**REP. DROVDAL** Made a motion to amend the bill by removing the "or" on page 1, line 18

**REP. RENNERFELDT** Second the motion. **MOTION CARRIED BY VOICE VOTE.**

**REP. DROVDAL** Made a motion to adopt the amendments which were submitted by the Secretary of State's Office.

**REP. GROSZ** Second the motion. **MOTION CARRIED BY VOICE VOTE.**

**REP. KROEBER** Made a motion for a **DO NOT PASS AS AMENDED.**

**REP. SCHMIDT** Second the motion **MOTION FAILED.**

Page 10  
House Finance and Taxation Committee  
Bill/Resolution Number HB 1337  
Hearing Date January 24, 2001

REP. CLARK Made a motion for a **DO PASS AS AMENDED.**

REP. GROSZ Second the motion. **MOTION CARRIED**

9 YES      6 NO      0 ABSENT

REP. CLARK Was given the floor assignment.

# FISCAL NOTE

Requested by Legislative Council  
02/16/2001

Bill/Resolution No.:

Amendment to: HB 1337

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

The engrossed version of HB 1337 would be unlikely to produce a measurable fiscal impact on the Department of Labor.

The "summary of the rights of employees" required by the bill to be posted by employers would be allowed under subsection five of section 16.1-08.1-03.3 to be included on the next wage and working conditions order prepared and distributed by the labor commissioner and would not add to the expense of preparing or distributing the order.

Complaints referred to the department for investigation under the bill would constitute unauthorized deductions from employees' wages. The department currently investigates complaints alleging unauthorized deductions from wages and has authority to enforce claims determined to have merit. We do not believe the bill would produce a volume of additional claims sufficient to require additional staff resources.

The Secretary of State projected no fiscal impact to his office.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

NA

**B. Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

NA

**C. Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

NA

<b>Name:</b>	Mark Bachmeier	<b>Agency:</b>	Department of Labor
<b>Phone Number:</b>	328-2660	<b>Date Prepared:</b>	02/19/2001

# FISCAL NOTE

Requested by Legislative Council  
01/18/2001

Bill/Resolution No.: HB 1337

Amendment to:

**1A. State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$10,000	\$0	\$0	\$0
Appropriations	\$0	\$0	\$10,000	\$0	\$0	\$0

**1B. County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**2. Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Although the Secretary of State's office was asked to prepare this fiscal note, the fiscal impact of the bill will be to the Labor Department's budget depending on the timing mandated by the bill.

Because several provisions of the bill require a cooperative effort between the Secretary of State's office and the Labor Department, the two agencies have met to determine the fiscal impact, which would be prompted by the public notice requirement found in Subsection 5 of Section 2 of the bill (page 5, lines 28-31).

The Labor Department is already required by law to distribute notices (e.g., Wage and Working Conditions Order) for posting by all employers in the state. Therefore, it is only logical that the distribution and posting requirement required by this bill would become the responsibility of the Labor Department because the agency is already equipped to distribute such notices.

However, there still will be a fiscal impact to the Labor Department. That is, depending on the timing of the notices.

For example, if the Labor Department were to include the bill's notice requirement as a part of the Wage and Working Conditions Order and was required to develop and distribute a new version of the order for the sole purpose of complying with the new law, the immediate fiscal impact to the Labor Department would be approximately \$10,000.

On the other hand, if the Labor Department were allowed to include the bill's notice requirement as a part of

the next updated version of the Wage and Working Conditions Order, which will be developed and distributed within a year's time, the fiscal impact to the Labor Department would be none.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

None

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The expenditures will be \$10,000 or none depending on the options selected by the legislature as noted in the narrative.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The Labor Department would need an appropriation of \$10,000, if a special printing and distribution of the Wage and Working Conditions Order is required by the bill. On the other hand, if the bill allows the agency to include the notice with its next printing of the Wage and Working Conditions Order, the agency would not require an additional appropriation.

<b>Name:</b>	Al Jaeger	<b>Agency:</b>	Secretary of State
<b>Phone Number:</b>	328-2900	<b>Date Prepared:</b>	01/23/2001



Date: 2-13-01  
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1337

House FINANCE & TAXATION Committee

☐ Subcommittee on \_\_\_\_\_  
or  
☐ Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Not Pass as amended

Motion Made By Rep Kroeber Seconded By Rep. Schmidt

Representatives	Yes	No	Representatives	Yes	No
CARLSON, AL, CHAIRMAN		✓	NICHOLAS, EUGENE	A	
DROVDAL, DAVID, V-CHAIR	✓		RENNER, DENNIS	✓	
BRANDENBURG, MICHAEL		✓	RENNERFELDT, EARL		✓
CLARK, BYRON		✓	SCHMIDT, ARLIO	✓	
GROSZ, MICHAEL		✓	WIKENHEISER, RAY		✓
HERBEL, GIL		✓	WINRICH, LONNY	✓	
KELSH, SCOT	✓				
KROEBER, JOE	✓				
LLOYD, EDWARD		✓			

Total (Yes) 6 No 8

Absent 1

Floor Assignment Rep.

If the vote is on an amendment, briefly indicate intent:

Date: 2-12-01  
Roll Call Vote #: 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1337

House FINANCE & TAXATION Committee

☐ Subcommittee on \_\_\_\_\_  
or  
☐ Conference Committee

Legislative Council Amendment Number 10498.0102

Action Taken Do Pass as amended

Motion Made By Rep. Clark Seconded By Rep. Grosz

Representatives	Yes	No	Representatives	Yes	No
CARLSON, AL, CHAIRMAN	✓		NICHOLAS, EUGENE	✓	
DROVDAL, DAVID, V-CHAIR		✓	RENNER, DENNIS		✓
BRANDENBURG, MICHAEL	✓		RENNERFELDT, EARL	✓	
CLARK, BYRON	✓		SCHMIDT, ARLO		✓
GROSZ, MICHAEL	✓		WIKENHEISER, RAY	✓	
HERBEL, GIL	✓		WINRICH, LONNY		✓
KELSH, SCOT		✓			
KROEBER, JOE		✓			
LLOYD, EDWARD	✓				

Total (Yes) 9 No 6

Absent 0

Floor Assignment Rep. Clark

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1337: Finance and Taxation Committee (Rep. Carlson, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (9 YEAS, 6 NAYS, 1 ABSENT AND NOT VOTING). HB 1337 was placed on the Sixth order on the calendar.

Page 1, line 18, overstrike "or", after "deposit" insert "or payment", and after "money" insert "salary, wages, or dues"

Page 2, line 3, remove "The term includes wages, salaries, or union"

Page 2, remove lines 4 and 5

Page 2, line 6, remove "operations or expenses of a political committee."

Page 3, line 20, replace ". The" with "and the"

Page 5, line 11, remove "dues."

Page 5, line 12, remove "or" and after "salary" insert ", or other compensation"

Page 5, line 14, after "prescribed" insert "or authorized" and replace "upon" with "by an employee or member giving"

Page 5, line 15, remove "by the employee or member"

Page 5, line 17, remove "dues.", remove the second "or", and after "salary" insert ", or other compensation"

Page 5, line 26, replace "Upon request of the secretary of state, an association shall provide verification that" with "The labor commissioner, with the advice and consent of the secretary of state, shall include on the wage and working conditions order prepared and distributed by the labor commissioner a summary of the rights of employees under this section beginning with the next order issued by the commissioner after the effective date of this Act."

Page 5, remove lines 27 through 31

Page 6, remove lines 1 through 4

Page 6, line 5, after the underscored period insert "Upon receipt of a complaint from an employee or member alleging a violation of subsection 4, the secretary of state shall refer the complaint to the labor commissioner for investigation under chapter 34-14. If the commissioner determines a claim to have merit, the employee or member bringing the complaint is entitled to collect an amount equal to three times the amount deducted from the employee's or member's wages, salary, or other compensation from the person found to be in violation of this section."

7."

Page 6, line 17, replace "7" with "8"

Page 6, line 23, replace "8" with "9"

Page 6, line 29, replace "9" with "10"

Page 7, line 1, replace "10" with "11"

**REPORT OF STANDING COMMITTEE (410)**  
**February 15, 2001 1:19 p.m.**

**Module No: HR-28-3522**  
**Carrier: Clark**  
**Insert LC: 10498.0102 Title: .0200**

Page 7, line 7, replace "11" with "12"

Renumber accordingly

2001 TESTIMONY

HB 1337

**TESTIMONY ON HB 1337**  
**HOUSE FINANCE AND TAXATION COMMITTEE**  
**REP. AL CARLSON, CHAIRMAN**  
WEDNESDAY, JANUARY 24, 2001  
BRYNHILD HAUGLAND ROOM

Mr. Chairman and members of the committee, I am Representative Blair Thoreson from District 44 in Fargo.

I am here this morning to testify in favor of House Bill 1337, which will give members of organizations and labor unions a choice in exercising their First Amendment rights. Currently, a union member who does not want his or her dues used for the union's political purposes has only one option: quit the union. This is wrong. A non-member who wants a say in how their contract is negotiated, or who needs assistance in a grievance resolution, must now choose to put aside their political or moral views to become a member of an organization that will take a portion of their dollars and use it to fund activities they disagree with. This too is wrong.

House Bill 1337, when enacted, will give these people the ability to remain or <sup>become</sup> ~~remain~~ active participants in their bargaining unit. It will allow a workable solution that is both pro-worker (protecting free speech rights) and pro-union (gaining new members and retaining current members whose political views differ from the union leadership.) Working in a union office for the past 12½ years, I've talked with many union members who want this choice. They sometimes feel pressured into supporting views that are inconsistent with their own. These are the people I thought about when I decided to sponsor House Bill 1337. It will be a real plus to know that these hard-working individuals are given a say in how a portion of their contributions are spent.

Mr. Chairman, at this point in my testimony, I would like to briefly go through the bill for the committee, and explain the changes made to sections 16.1-08.1-01 and 16.1-08-03.3 of the North Dakota Century Code:

On page No. 2, lines 3 through 6, section 16.1-08.1-01 the code is amended to add further clarification to the current definition of the term "Contribution." Contributions will now include: wages, salaries or union dues used for a political purpose; in aiding or opposing the circulation, passage or defeat of an initiative or referendum; or money used to support the operations or expenses of a political committee.

To further clarify what the term "Contribution" does not include, Page No. 2, lines 17 through 20, adds subsection e, and f, that specifically exempt charitable contributions, commercial transactions; and money that a corporation, cooperative corporation, limited liability company, or association spends to disseminate information not related to a political purpose to its shareholders, employees or members.

On Page No. 3, lines 19 through 23 adds a definition of the term "Union." The definition clearly states that a union "has as its primary purpose the promotion of the economic interests of its members as wage earners." This definition also recognizes that a union "means a labor organization freely chosen by the majority of the employees" who wish to have the union represent them in contract negotiation, contract administration and handling of grievances." In other words, workers have the right to choose someone to represent them in these core purposes.

Now, it is time to move onto the main purpose of this bill, which is the amendments to section 16.1-08-03.3 of the Century Code. Beginning on Page No. 5, lines 8 through 31,

and again on Page No. 6, lines 1 through 4, new language is added to the Century Code to provide workers and organization members the choice of whether or not to contribute to a political fund. In this new language, deductions may only be used for political purposes if a member has granted their written authorization. This "opt in" authorization would be required annually, and could be revoked by the member with 30 days notice to the organization withholding the money. This new section provides that the Secretary of State would develop an authorization form that would include the amount withheld from the organization member for segregated funds, such as those used for political purposes. It would also include information that the form is required by law, that contributions cannot be obtained by coercion or physical force, that contributions are not a condition of employment or membership in an organization, and that the contributions can't be secured by threats, such as job discrimination or financial reprisal. It also entitles the member a copy of the signed authorization form.

To ensure that members are aware of their rights, this new section provides for workplace notices summarizing this information. Mr. Chairman and members of the committee: as the bill is currently written, the Secretary of State will be required to prepare these workplace notices. Because of this, there is a fiscal note attached to House Bill 1337 with an impact of \$10,000. In a few moments, however, the Secretary of State's office will be proposing amendments to the bill. One of these amendments deals with the preparation of the workplace notices, by moving this responsibility to the Labor Department. Since the Labor Department already prepares workplace notices, we should be able to remove the fiscal impact by switching the responsibility to that office.

Finally, Mr. Chairman, on Page No. 6 there is new language that provides a penalty if a violation should occur. Again, as the bill is now written, if there is a violation, the



Secretary of State may levy a civil penalty of \$500 or three times the amount of the contribution, whichever is greater. However, another amendment from the Secretary of State's office will slightly change this area of the bill. I have worked with the Secretary's office and the Labor Commissioner in developing these amendments, and I believe that they make this an improved, more-workable piece of legislation.

In closing, I want to reiterate that this bill was introduced for the sole purpose of giving workers and organization members a choice. The opposition you will hear this morning will try to say that this bill is designed to silence workers, but that is not the case. They may even refer to this legislation as "paycheck deception." It is not. This bill provides "paycheck protection" because the real issue is providing fairness to hard-working women and men when it comes to withholding their money. The American people agree with this protection. In fact, a recent CNN/USA Today Gallup poll found 72% approval for written permission before using workers money for political purposes. The real issue is providing fairness to hard-working women and men when it comes to withholding their money. This type of legislation has already been signed into law in Wyoming, Idaho, Washington state, Ohio and Michigan.

Mr. Chairman, thank you for this opportunity to testify in favor of House Bill No. 1337. I will be happy to answer any questions, however, at this time; I would like to defer to a representative from the Secretary of State's office. They will explain the amendments to the bill for the committee.

Once again, thank you.

**Testimony on HB 1337  
Before the House Finance and Taxation Committee  
Rep. Al Carlson, Chairman  
Byrnhild Haugland Room  
Wednesday, January 24, 2001**

Chairman Carlson and members of the House Finance and Taxation Committee, my name is DeAnn Bjornson and I am testifying on behalf of the Americans for Free Speech Reform. I am here to testify in favor of HB 1337, which would protect the First Amendment rights of North Dakota's citizens.

Under this bill, employees and members would have the *choice* whether or not to have their payroll deductions, salary, wages or other compensation used for political purposes. They would exercise this choice by annual written consent, which could be revoked upon 30 days written notice by the employee or member. Quite simply, this bill allows North Dakota citizens to choose to be a member of an association or union without being forced to have their paychecks deducted to fund political activity they disagree with.

Opposition will say this bill is trying to silence working families, it is unconstitutional, it is unfair, and unnecessary. You may even hear this legislation is extremist, anti-worker, even anti-education. I am here today to tell you that is simply not true. HB 1337 is Paycheck Protection for North Dakotans that is Pro-Worker and Pro-Free Speech.

Currently, many North Dakotans have money deducted from their paycheck in the form of dues or membership fees. These monies are used to fund collective bargaining efforts that will benefit the employee whose paycheck was deducted. The money is also used to fund political activities of the organization, regardless of whether that employee agrees with the political agendas their money is being used to promote.

I recall the story of some Grand Forks union members who were upset their money was being used to support the opponent of the candidate they intended to vote for in the last presidential election. They had strong opinions about the very different gun control positions of two candidates, and felt their money was in some way counter acting their intended vote. As it stands today, the only way for them to avoid this situation would be to quit their union and give up the right to vote on their own employment contract. HB 1337 provides workers a choice to continue to participate in collective bargaining, vote on issues that affect their employment, and at the same time not be forced to fund the political agendas of others unless they expressly give written permission annually.

Machinists v Street (1961), established the idea that using fees for political purposes once a worker has objected is illegal. In Abood v Detroit Board of Higher Education (1977), the United States Supreme Court further stated that workers free speech rights are violated when a union used a dissenting member's dues for political causes. Finally, the Miller (1998) case established that the states have "an important or substantial, if not compelling" interest in protecting workers' First Amendment rights not to contribute to political causes they do not favor.

I am before you today to strongly urge you to protect the individual rights of the citizens of North Dakota by simply giving them a choice. Let individuals choose to belong to associations professionally, without forcing them to have their money used against their ideals politically. Let me be very clear. This bill does not prevent North Dakotans from funding political activity, it simply allows all North Dakota citizens to *consent* to it. Please choose to vote YES on HB 1337.

Mr. Chairman, thank you for this opportunity to testify on behalf of HB 1337. I would be happy to answer any questions the committee may have at this time

**IBEW**  
**International Brotherhood of Electrical Workers**  
**AFL-CIO CLC**  
**OBJECTS**

To organize all workers in the entire electrical industry-.

To promote reasonable methods of work,

To assist each other in sickness or distress,

To secure employment,

To secure adequate pay for our work,

To seek a higher and higher standard of living,

To seek security for the individual,

And by legal and proper means to elevate the moral, intellectual and social conditions of our members, their families and dependents, in the interest of a higher standard of citizenship.

**APWU**  
**American Postal Workers Union**  
**AFL-CIO**

**MEMBERS BILL OF RIGHTS**

1. Every member has the right to be respected as a human being.
2. Every member has the right to be respected as a brother or sister of this Union.
3. Every member has the right to freedom of speech and the right to be heard.
4. Every member has the right to the freedom to listen.
5. Every member has the right to the freedom of the press.
6. Every member has the right to participate in the activities of this union.
7. Members shall not be denied the right to seek any office or the right to vote in this Union because of race, color, creed, sex, sexual orientation, nationality, handicap, political affiliation, age, or religion.
8. Every member has the right to support the candidate of his/her choice and to participate in that right with others.
9. Every member has the right to a fair trial, to be represented by an individual of his or her choice and to proper appeal procedures.
10. Every member has the right to be secure in his or her basic rights without fear of political, economic, physical or psychological intimidation.

**BYLAWS OF LOCAL 7566**

**PACE, AFL-CIO, CLC**

**BISMARCK, ND**

**Article 2**

**Objects**

To improve the working conditions, advance, maintain and protect the interests of the workers organized on an industrial basis-.

To educate our membership on the history of the American labor movement and to develop and maintain an intelligent and dignified membership; to vote and work for the passage of improved legislation in the interest of all labor; to work for the repeal of those laws which are unjust to labor; to work for legislation having as its objects the establishment of real social and unemployment insurance-.

**Article 4**

**Powers of Administration**

**Local #7566 shall be governed by its membership in the following manner.**

**Section 1**

The highest tribunal shall be the membership, assembled at all authorized meetings.

**Section 2**

The Executive Board shall be empowered to represent the Local Union when urgent business requires prompt and decisive action. In no case, however, shall the Board transact any business that may affect the vital interests of the Local Union until approval of the membership is secured.

**Section 3**

Between meetings of the Local Executive Board, the highest authority in the Local Union shall be vested in the President, whose actions are subject to the approval or ratification of the Executive Board or the membership at their next regular meeting.

**IBEW-COPE**  
**Check-Off Authorization**

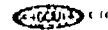


I hereby authorize Montana Dakota Utilities Company to deduct from my pay the sum of two cents for each hour worked, and to forward that amount to System Council U-13 International Brotherhood of Electrical Workers, Committee on Political Education.

This authorization is signed voluntarily and not out of any fear of reprisal and on the understanding that IBEW-COPE is engaged in a joint fund raising effort with the AFL-CIO, will use the money contributed to that effort to make political contributions and expenditures in connection with federal and state elections, and that this voluntary authorization may be revoked at anytime by notifying Montana Dakota Utilities Company in writing of a desire to do so.

Date \_\_\_\_\_ Signature of Employee \_\_\_\_\_

Name (print) \_\_\_\_\_ IBEW Local No. \_\_\_\_\_



HB 1337  
Rep. Kenebow  
gave to Committee  
during Committee action

**NORTH DAKOTA**

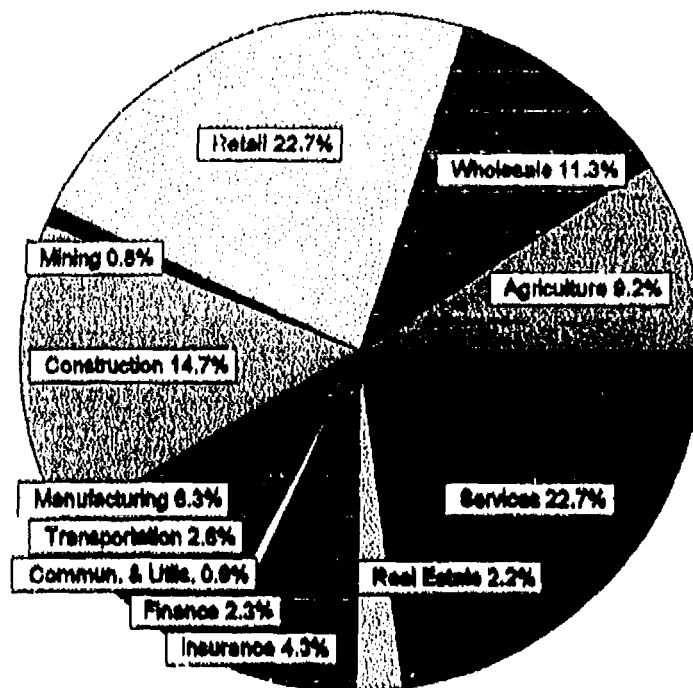
## About NFIB/North Dakota

Since 1943, business owners from all walks of commercial life have joined the National Federation of Independent Business to have a powerful, united voice in government decision making. Today, NFIB North Dakota chapter has approximately 3000 members, making it the largest small-business advocacy group in the state.

Each year NFIB/North Dakota polls its entire membership on a variety of state legislative and regulatory issues. The Federation uses the poll results to set its legislative agenda and aggressively promotes those positions approved by majority vote.

This democratic method of setting policy assures that the position advanced by NFIB reflect the consensus views of the entire small-business community rather than the narrow interests of any particular trade group. Lawmakers wanting to know how proposed legislation and regulation will affect Main Street business can get the authoritative answer from NFIB's legislative office in Bismarck.

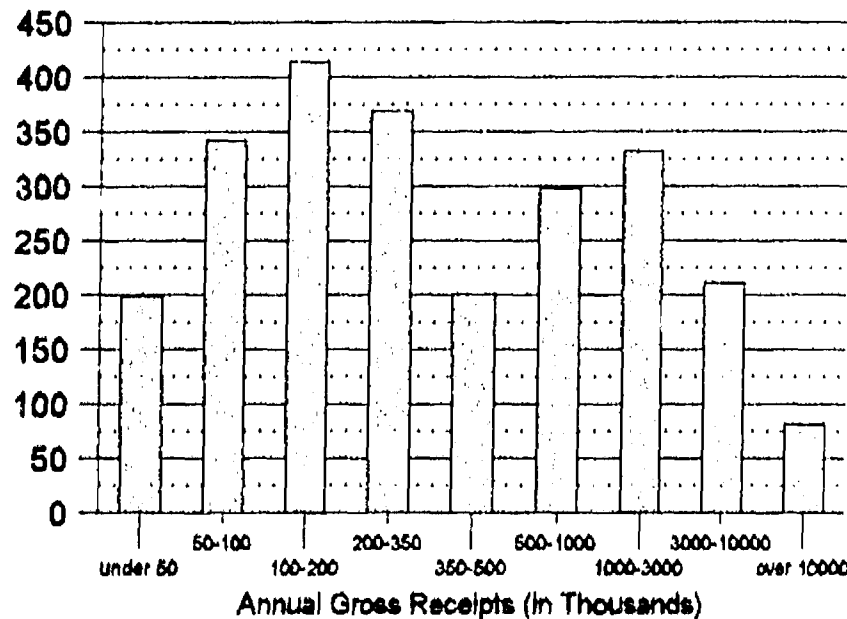
**NFIB / North Dakota Membership  
by Industry Classification**



## NFIB/North Dakota Membership Profile

NFIB/North Dakota represents the entire spectrum of independent business, from one-person home-based operation to enterprises employing more than 100 people. The typical NFIB/North Dakota member is quite small, employing three to five workers and ringing up gross sales of about \$100,000-200,000 per year. Yet, in aggregate, the membership is a potent economic force, employing more than 30,000 and earning over \$3.4 billion (gross) annually.

**NFIB / ND Members by Gross Sales in Thousand**



**NFIB/ ND Members by Number of Employees**





# NFIB

## NORTH DAKOTA

### MEMBER BALLOT

2001  
EDITION

**Please Vote &  
Mail Your Ballot  
TODAY!**

**Take a few minutes to vote.**

NFIB staff in the state capitol uses your votes on the state ballot to argue your case in the Legislature.

© 2000 NFIB

Comments \_\_\_\_\_

#### DEPARTMENT OF COMMERCE

1. Should a cabinet level Department of Commerce be established in North Dakota?

☐ Yes ☐ No ☐ Undecided "

**Background:** The Commerce and Labor Interim Legislative Committee will be introducing legislation to establish a new Department of Commerce. An appointee of the governor filling that position would be on the governor's senior staff and supervise existing agencies such as Economic Development and Finance, Tourism, the Division of Community Services and the Workforce Development Council. The objective would be to provide one shop/one stop services for economic developers. Direction could be provided by a cabinet composed of representatives from involved state offices such as the Bank of North Dakota, Board of Higher Education and North Dakota Job Service. A foundation made up of representatives from the private sector could be established to advise the governor and secretary of commerce. These are some of the ideas that are being floated for the structure of the new department. The overriding theme is to focus on developing commerce by

bringing agencies and players from the private sector together. Both gubernatorial candidates support the concept, though they have differing ideas as to implementation.

Opponents are troubled by the creation of a new level of bureaucracy in state government, and proponents respond that creation of such a department would bring existing agencies together to provide better and seamless economic development services. Also, supporters believe that rural development efforts by communities that do not have staff or specific expertise would be better served.

#### PRIVATE INVESTMENT INCENTIVE

2. Should those engaged in the development or expansion of primary sector businesses be allowed to offer potential private investors tax credit incentives?

☐ Yes ☐ No ☐ Undecided "

**Background:** Legislation is expected to be introduced that would allow any primary sector business, a business that creates new wealth, to raise investment capital directly by offering investors a 20 percent break on their personal income tax over a period of two years. A business would

**Small Business Works**  
FOR NORTH DAKOTA

...and NFIB works for small business.

National Federation of Independent Business  
311 E. Thayer Avenue, Suite 119  
Bismarck, ND 58501

**BILL BUTCHER** State Director  
bill.butcher@nfib.org  
(701) 224-8333 • (701) 224-1097 (fax)

[www.nfib.com](http://www.nfib.com)

HB 1337  
Jack Kavaney

have to qualify and be approved by the state for such an offering. It would mean that, in addition to a return on equity, an entrepreneur could offer a potential \$25,000 investor a savings of \$5,000 in personal state income taxes. Even if the business did not make money, the investor could be assured of the tax break. Such an incentive to investors could take state government out of the private sector investment business.

### LOSER PAY LEGISLATION

3. Should "loser pay" legislation be enacted, which would require a losing party in civil litigation to pay the prevailing party's attorney fees?

☐ Yes ☐ No ☐ Undecided 13

**Background:** Presently, all parties to lawsuits are responsible for their own attorney fees.

**Proponents** believe that such legislation would reduce the number of frivolous claims and discourage "marginal" lawsuits; those being cases without sound legal basis and cases in which the losing party's chances of success are small. A "loser pay" system would raise the stakes of a party who is considering filing a lawsuit because they may

be required to pay the defendant's attorney fees.

**Opponents** believe a "loser pay" system would intimidate injured parties from filing legitimate lawsuits because they could not take the financial risk of paying for expensive corporate or insurance company lawyers should they lose. Conversely, when large corporations and insurance companies lose cases, they have deep pockets, and the impact of paying opposing legal fees is relatively insignificant to them.

### PAYCHECK PROTECTION

4. Should unions get a worker's permission before using a portion of his or her union dues on politics?

☐ Yes ☐ No ☐ Undecided 14

4a. Should NFIB become involved in this issue in North Dakota?

☐ Yes ☐ No ☐ Undecided 15

**Background:** Labor unions currently may use the dues collected from their members for collective bargaining purposes and political campaigns. "Paycheck protection" legislation would require unions to obtain their members' permission before deduct-

ing money from their paychecks for politics. Currently the states of Idaho, Michigan, Ohio, Washington and Wyoming have laws that require such permission from workers, although Ohio's law is currently inoperative due to conflicting federal and state court rulings.

**Proponents** maintain that if a candidate wants a personal contribution to his or her political campaign, that candidate should get the potential contributor's permission first. They assert that union workers should be asked whether they want their union dues to be used for politics in addition to traditional union functions, such as collective bargaining and contract administration.

**Opponents** argue that it would be impossible for unions to adequately represent their members without engaging in political involvement. Some say that unions will always be able to get around such a law because it could only cover direct contributions to candidates or initiatives at the state level and not other political involvement by unions.

Those on both sides of the issue say that for NFIB to take a position on this issue is partisan and, hence, unwise, since unions traditionally align themselves with Democratic candidates and issues.

2001 North Dakota State Ballot

National Federation of  
Independent Business  
P.O. Box 305040  
Nashville TN 37230-5040

Place  
Stamp  
Here



January 24, 2001

COMMITTEE ON FINANCE AND TAXATION  
HB 1337

Chairman Carlson and committee members:

My name is Steven L. Latham and I will be testifying on behalf of the AFL-CIO House Bill No. 1337.

In North Dakota, membership in a union by a worker is entirely voluntary, as is the payment of dues or contributions to a political action fund. Section 34-01-14 N.D.C.C., *Ficek Iron Shipbuilders v. International Brotherhood of Boilmakers, Builders, Blacksmiths, Forgers and Helpers, Local No. 647*, 219 N.W.2d 816 (N.D. 1974), Federal Election Campaign Act ("FECA"), 2 U.S.C. Section 431, *et seq.*

FECA governs the political activities of unions and corporations in connection with federal elections. It precludes unions from using their treasury funds to make contributions to federal candidates or to make independent expenditures expressly advocating election or defeat of clearly identified federal candidates.

It expressly permits, however, union treasury money to be used for the following activities: communications by a labor organization directed at its members, executive and administrative personnel, and their families on any subject, and the same communications right for a corporation to its shareholders, executive and administrative personnel, and their families; non-partisan voter registration and get out the vote campaign directed by unions and corporations at these same persons, respectively; the establishment, administration of solicitation of contributions to a separate segregated fund - known as a Political Action Committee ("PAC"), to be used by the union to make

contributions or independent expenditures. Similar law is codified in North Dakota at Section 16.1-08.1N.D.C.C.

The amendments proposed on page number two, lines three through six, interferes with the relationship within a union between and among union officers and members, which has long enjoyed constitutional protection.

The United States Supreme Court in 1948 in *U.S. v. C.I.O.*, 335 U.S. 106, 121, held that construing a statutory prohibition on union treasury political contributions and expenditures to cover communication between a union and its members would create "the gravest doubt" as to the statute's constitutionality. Accordingly, the court construed the law to exclude from its scope the union's expenditure of funds in its own internal newsletter urging union members to vote for a particular candidate for Congress.

Almost thirty years ago, the U.S. Supreme Court plainly stated that the exemption allowing unions and corporations to communicate freely with members and shareholders on any subject by using their general treasuries – was required by sound policy **and the Constitution**. *Pipefitters Local Union No. 562, et al. v. United States*, 407 U.S. 385, 431 (1972). (Emphasis added).

A union engaged in political activities is an archetype of an expressive association protected by the First Amendment. *Roberts v. United States Taxles*, 486 U.S. 609, 623 (1984).

The amendments on page five, starting on line four, in section four, raise serious constitutional questions relating to violations of the Equal Protection clauses of the U.S. and North Dakota Constitutions as it treats associations differently from corporations to the extent that it affords corporations privileges or immunity which are not extended to

associations and which does not have the uniform operation as to associations or corporations. Article I, Section 21 and 22, North Dakota Constitution.

Currently, a union member can "opt out" for the payment of a portion of his wages or dues to a segregated fund for political purposes. The 9<sup>th</sup> Circuit Court of Appeals has indicated that this "opt out" procedure is perfectly adequate to protect the rights of employees, but a burdensome "opt in" requirement would unduly impede the union . . . *Mitchell v. Los Angeles Unified School District*, 963 F.2d 258, 262-63 (9<sup>th</sup> Cir. 1992), *cert. denied*, 506 U.S. 940 (1992). See also *Weaver v. University of Cincinnati*, 970 F.2d 1523, 1531-33 (6<sup>th</sup> Cir. 1992), *cert. denied*, 507 U.S. 917 (1993).

The amendments on page five, starting on line 26, raise serious questions of governmental intrusion into a members right to privacy. In order for the Secretary of State to conduct an investigation, the Secretary of State would not only need the information required by the employee on the authorization, but also the identity of all other members of an association who do not participate in the voluntary authorization and a review of the payroll records to ensure that there is no deductions by individuals who have not signed the authorization. Not only would this be a burden on the Secretary of States Office to conduct such an investigations, but also this information would in all likelihood become public record in the Secretary of State's Office.

This legislation raises serious constitutional questions in its intrusion into the areas of free speech, the right of the citizens to seek redress from the government, the right of association and assembly and the right of all similarly situated citizens of this county to be treated equally by its government.

No other state requires unions to gather members' separate individual written permission in order to expend dues-derived income or political activity on behalf of the membership. There are numerous reasons this legislation has been rejected and it should be here in North Dakota.

We urge defeat of House Bill 1337.



**NDPEA**

NORTH DAKOTA  
PUBLIC EMPLOYEES ASSOCIATION

3000 EAST BROADWAY AVE, SUITE 1220  
BISMARCK, NORTH DAKOTA 58501-3396

701-223-1964  
1-800-472-2698

AMERICAN FEDERATION  
OF TEACHERS LOCAL 4660 AFL-CIO



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WEBSITE: [www.ndpea.org](http://www.ndpea.org)

Testimony on HB 1337  
Before the House Finance and Taxation Committee  
North Dakota Public Employees Association, AFT 4660, AFL-CIO

Chairman Carlson, members of the House Finance and Taxation Committee, my name is Chris Runge and

I am the Secretary-Treasurer of the North Dakota AFL-CIO and the Executive Director of the North Dakota Public Employees Association, American Federation of Teachers, Local 4660. I am here to testify in opposition to HB 1337.

When I was growing up in Dickinson, North Dakota, politics was a regular topic of discussion at the dinner table in my family. Now, my parents were regular working people, my mother staying at home with my seven brothers and sisters and my father working as a mechanic by day, and at night running a self owned upholstery business. Their goal was for their children to do better and have a better life than they did. They often talked of the value of labor unions, that unions represented the working man, looking out for their interests and how important it was to be involved. Never in their wildest dreams did they ever think that one of their children would grow up, graduate from college and go on to represent a

*Quality Services from Quality People*

# Testimony

labor union. But that is what happened and I am proud to stand before you today representing the greatest group of workers in the state of North Dakota.

This bill is about the ability of a worker to freely associate with a union, to freely associate with others in that union, and to freely participate in the political and legislative activities of their union without government interference. North Dakota is a right to work state. No worker in this state can be required to join a union. No worker in this state can be required to participate in a union's political action committee. Our members are truly voluntary. If a union member is dissatisfied with their union, they have two options. They can work within the democratic process of the union that is almost identical to how you were all elected to your seats in the Legislature. That is no different for labor leaders. If our membership does not approve of our leadership, we will not be re-elected. The other option a union member has is to quit the organization. Again, there is no requirement that a worker join a union at all. There are workers all over this state who are benefiting from a union contract without having to join a union. That is the current law. In North Dakota, there is no "compulsory unionism". Our union members unlike taxpayers can decline participation in union activities altogether. A taxpayer, however, can't stop paying his or her taxes in order not to pay for a particular disfavored government program. In fact, union members are contributing their taxpayers dollars so this bill can be heard before you today.

The fact that unions are involved in political and legislative activities is nothing new. We engage in substantive political and legislative issue advocacy at all governmental levels and have participated for decades. It is our duty to inform our members on issues that affect them such as Social Security, Medicare, Workers Compensation, labor standards, health care, pensions, the right to organize, wages and benefits. We encourage our members to be involved in the political process including voting in every



election. Our union members have no less a stake in public affairs than other institutions and citizens. Unions in North Dakota and their representatives have advocated for better benefits for injured workers, collective bargaining for public employees and living wages for all workers.

HB 1337 singles out labor unions for compliance with burdensome regulations that other organizations will not face. I find it ironic that the proponents of this bill who profess to be doing this on behalf of union workers, in order to protect union worker paychecks, have never supported a public employee's right to collective bargaining, the basic right of all private sector workers. Supporting a workers basic right to choose collective bargaining is the ultimate "paycheck protection."

This bill is a solution in search of a problem. It is already against the law in North Dakota for union dues to be given to a candidate for office. Our members already sign dues check-off and political check-off cards. No worker can be forced to be involved in the activities of a labor union. In fact, Chairman Carlson and members of the committee, in all the years as a union leader, I have never received a call from an agency head, an elected official or even a legislator that a union member was being forced to participate in the activities of the union against their will. The relationship between union political and legislative activity and worker economic interests is something that virtually every union-presented worker knows. Our members know that their unions work to advance their interest through political and legislative action. The law already allows the Secretary of State to do random and requested audits. In fact, NDCC 16.1-08.1-05 allows the Attorney General to request audits of any political report filed under the campaign and finance disclosure laws of the State of North Dakota. It is already against the law in North Dakota for a labor union to use dues money to donate to a political candidate.

The birth of paycheck protection legislation does not come from union workers. It comes from groups who have fought against minimum wage increases, living wage scales for workers, overtime compensation laws and other anti-worker bills. HB 1337 is an unconstitutional infringement on the rights of workers to freely associate with each other without government interference. Not a single state has passed legislation such as this and in some states it has been soundly defeated by voters or found unconstitutional by the courts.

This bill singles out labor unions because they are involved in political and legislative advocacy on behalf of its voluntary members. Chairman Carlson and members of the House Finance and Taxation Committee, we may disagree on issues and we may disagree loudly and strongly on political and legislative issues but that's what the political process is for; that's what the legislative process is for and that's exactly what our Constitution provides: the right to free speech; the unfettered right to free association and the right to equal protection under the law. HB 1337 violates the United States Constitution in each of those areas. Certain groups will be allowed to be involved in the initiated and the referral measure process, but labor unions will have limitations. Certain groups will be required to have the government involved in their internal affairs, others will not. Treatment of groups differently is a violation of the Equal Protection Clause of the Constitution.

The democratic principles on which our legislative and political processes are based support free access by all to the public debate and government decision making that accommodates competing interests. Labor unions in North Dakota will continue to stand up for working families and to protect the right of our members to participate on a full and equal basis in public decisions. HB is a dishonest and

undemocratic attempt to silence the voice of workers and their families and on behalf of the labor movement in North Dakota, I urge a do not pass on HB 1337.

Thank you for your time and I am available to answer any questions you may have

# united transportation union

JOHN RISCH

Legislative Director

NORTH DAKOTA LEGISLATIVE BOARD



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Fax 701 223 0061

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## Testimony of John Risch Before the House Committee on Industry, Business and Labor In Opposition to HB 1337 January 24, 2001

Mr. Chairman and members of the committee, my name is John Risch. I am the North Dakota Legislative Director of the United Transportation Union. The UTU is the largest rail labor union in North America. Our membership includes conductors, engineers, switchmen, trainmen and yardmasters.

This bill is here because we are here. The purpose of HB 1337 is to limit organized labor's ability to participate in our state's political forum. If this bill becomes law, corporate interests will increasingly dominate our state's political debates.

Federal and state laws already exist that prevent the use of dues and corporate money for political contributions and we comply with all of them. Over the years, North Dakota state law has been even-handed in treating corporate and union political activities equally. And should anyone choose to strengthen those requirements for both corporations and labor unions, we'd be the first to testify in favor of that legislation.

This bill doesn't do that. It targets labor unions and implies that our participation in the political process is contrary to the wishes of our members; it is not. This bill implies that we spend vast amounts of money on political activities; we do not. This bill implies that somehow organized labor has an unfair advantage in the political process; we do not. North Dakota ranks near the bottom nationally in terms of wages. If labor has an unfair advantage in our state, it sure doesn't show up in the economic data.

It's not possible for organized labor to match corporate money in the political arena. Corporations have always had, and will always have, vastly greater resources to spend on politics than do working people. The idea that working people have more resources and unfair advantages in the political process and need to be reined in is ridiculous.

HB 1337 is unfair, it's vindictive and it is big government at its worst. For these reasons we urge this committee to recommend a "DO NOT PASS" on HB 1337.