SB 1040 STAFF MEASURE SUMMARY

Senate Committee On Workforce

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Meeting Dates: 4/5, 4/12

WHAT THE MEASURE DOES:

Establishes policy that private sector labor organizations and employers may enter union security agreements requiring membership in labor organization as condition of employment to full extent allowed by federal law. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Historical role of unions in maintaining labor standards for safety, quality, and employee wages
- Increase in number of "right to work" states
- Sixth Circuit court rulings allowing local jurisdictions to prohibit union security agreements in some circumstances
- Economic impacts of local laws prohibiting union security agreements
- Constitutional issues arising from union security agreements

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The National Labor Relations Act (NLRA), enacted in 1935, is the primary law governing relations between unions and employers in the private sector. The NLRA guarantees the right of employees to organize and to bargain collectively with their employers, and to engage in other protected activity with or without a union or to refrain from all such activity. The NRLA also outlines prohibited activities for employers and unions, such as threatening job loss, retaliating against employees who join or support a union, refuse to process grievances of employees who criticize union officials or do not join a union, and take adverse action against employees who do not support the union.

The NLRA allows employers and unions to enter into union security agreements requiring all employees in a bargaining unit to become union members and pay union dues. Employees who object to full union membership may continue as “core” members and pay only that share of dues used directly for representation.

The federal Taft-Hartley Act, enacted in 1947, amended the NLRA to authorize states to ban union security agreements. In the 27 states that have banned union security agreements, each employee at a workplace may decide whether or not to join the union and pay dues, although all workers are protected by the collective bargaining agreement negotiated by the union. States that have adopted this policy are referred to as "right to work" states.

Current Oregon law generally does not preclude an employer from making an agreement with a labor organization to require membership in a union as a condition of employment. ORS 663.125; ORS 663.110. In *UAW v. Hardin County*, a recent decision by the Sixth Circuit Court of Appeals, the court recognized the right of local governments to enact ordinances banning union security agreements if the state legislature has given them sufficient home-rule power. Senate Bill 1040 clarifies Oregon’s law to allow union security agreements.