

Ben Straka, Policy Analyst

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**Senate Bill 1040**

Chair Holvey and Members of the House Committee on Business and Labor,

As an advocate for both employee freedom and limited, accountable government, the Freedom Foundation strongly opposes Senate Bill 1040, a bill that would prevent local governments from passing Right-to-Work (RTW) protections for private-sector employees.

Most private-sector employees fall under the jurisdiction of the National Labor Relations Act (NLRA), which gives states and their political subdivisions – such as counties and cities – the authority to pass RTW laws. These laws prohibit “union security” agreements, which compel employees to pay dues or fees to a labor union as a condition of employment.

In other words, employees benefitting from RTW protections cannot be fired simply because they choose not to join or financially support a union. 28 states have now adopted these protections, and in 2016, the Sixth Circuit Court of Appeals affirmed the right of local jurisdictions to pass RTW in *UAW v. Hardin County*.

However, SB 1040 would prevent Oregon’s local jurisdictions from making their own decisions about RTW by preempting the authority currently granted to them under the NLRA.

Given the burden that compulsory union fees place on an employee’s First Amendment right to freedom of speech and association, it is alarming that SB 1040 seeks to create a statewide policy cementing such compulsion and preventing local governments from having any say in the matter.

After all, aside from protecting an employee’s associational rights, RTW laws do not affect collective bargaining in any other way. Nothing prevents unions from representing employees or bargaining as they do now, and nothing prevents employees from joining a union and paying dues voluntarily.

Furthermore, RTW laws have been shown to have positive economic effects, even at the local level. In Kentucky’s Warren County, the first county in the nation to pass a local RTW law, the Chamber of Commerce reported that business investment and new job creation within the county reached record highs following its adoption of a RTW ordinance in 2015.<sup>1</sup> The Warren County attorney, a Democrat, further substantiated the claims of economic improvement by reporting

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<sup>1</sup> King, Savannah. [2017]. Open for Business. Retrieved from <http://siteselection.com/cc/kentucky/2017/right-to-work.cfm>.

that multiple business-location selectors contacted the county citing its RTW ordinance as the reason for their interest.<sup>2</sup>

Just as Warren County and several others experimented with RTW and found it to be economically beneficial to their communities, so too might local jurisdictions within our state.

Generally speaking, Oregon law allows counties and cities to exercise a broad range of authority over local affairs.<sup>3</sup> Unfortunately, SB 1040 runs counter to that policy – and counter to public opinion in support of RTW<sup>4</sup> – to ensure that local governments in our state cannot consider these reforms.

The Freedom Foundation supports both the concept of RTW and the right of local governments to decide for themselves whether to allow union security agreements between employers and unions within their jurisdictions.

On behalf of the Freedom Foundation, I respectfully urge the committee to oppose SB 1040.

Thank you,



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<sup>2</sup> Sherk, James. [2015, Feb. 3<sup>rd</sup>]. Bruce Rauner Is Trying Kentucky's Approach to Right-to-Work: Do It Locally. Retrieved from <http://www.heritage.org/jobs-and-labor/commentary/bruce-rauner-trying-kentuckys-approach-right-work-do-it-locally>.

<sup>3</sup> ORS 203.025, ORS 221.410.

<sup>4</sup> Jones, Jeffrey M. [2014, Aug. 28<sup>th</sup>]. Americans Approve of Unions but Support "Right to Work." Retrieved from <http://www.gallup.com/poll/175556/americans-approve-unions-support-right-work.aspx>.