

Amendment 47



Colorado Legislative Council Staff
FISCAL IMPACT STATEMENT

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BALLOT TITLE: PROHIBITION ON MANDATORY LABOR UNION DUES

Summary of Measure

Amendment 47 prohibits an employer from requiring an employee to belong to or pay membership dues to a labor union as a condition of employment. The prohibition applies to labor contracts enacted or renewed after the effective date of the measure. Violation of the measure is a misdemeanor punishable by a fine equivalent to the most stringent misdemeanor classification. Currently, this is a class 1 misdemeanor, carrying a fine of between \$500 and \$5,000.

Background

Currently, federal law prohibits an employer from requiring union membership as a condition of employment. However, an employer may require an employee to pay dues to the union in an amount equal to the cost of collective bargaining. Such an arrangement is called an "all-union agreement." To form an all-union agreement, a business must first establish the union through a majority vote. At this point, union membership and dues payment is voluntary. The all-union agreement is established through a second vote. This secret ballot vote is overseen by the Colorado Department of Labor and Employment and requires the larger of either: (1) a majority of employees eligible for collective bargaining representation; or (2) 75 percent of those voting.

State Revenue and Expenditures

State Revenue. The amendment imposes a class 1 misdemeanor criminal penalty. The courts have the discretion of incarceration or imposing a fine, so the impact to state revenue cannot be determined. A minimal amount of fine revenue may be collected (< \$5,000 per year). Misdemeanor fine revenue is deposited into the Fines Collection Cash Fund.

State Expenditures. The Department of Labor and Employment is responsible for overseeing the vote to establish an all-union agreement. Currently, the department is only handling 5 to 6 votes each year. While these votes will no longer take place, the reduction in workload is expected to be minimal. The creation of a new misdemeanor offense may result in new cases being filed with the Judicial Branch. It is anticipated that the number of cases filed, if any, will be small and can be absorbed within existing resources.

Local Government Impact

The amendment imposes a new misdemeanor offense that may increase the number of people incarcerated in county jail. Because the courts have the discretion of incarceration or imposing a fine, the impact at the local level cannot be estimated. The cost to house an offender in county jails varies from \$45 to \$50 per day in smaller rural jails to \$62 to \$65 per day for larger Denver-metro area jails. The impact of this misdemeanor is expected to be minimal and will not create the need for additional county jail space.