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FISCAL IMPACT REPORT



SPONSOR: Sanchez DATE TYPED: 01/31/02 HB 266

SHORT TITLE: Right to Work Act SB _____

ANALYST: Woodlee

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
	NFI	NFI	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

Labor Department (LD)
Attorney General (AG)

SUMMARY

Synopsis of Bill

House Bill 266 provides for the protection of the rights of persons to join or assist labor organizations, or to refrain from such activity, without fear of penalty or reprisal. The bill prohibits employers from agreeing to accept employee referrals from labor organizations and prohibits deductions from paychecks without written authorization.

Significant Issues

The Attorney General indicates that the National Labor Relations Act leaves the states the authority to enact certain right to work laws. The courts have upheld the states' rights to require an employer to obtain written authority to deduct union dues from wages, and, therefore, HB266 is consistent with federal law in that respect.

However, the Attorney General also indicates that Section 14(b) of the National Labor Relations Act does not allow the states the right to regulate all relationships between unions and employers. For example, if an employer agrees with a union to hire only those workers a union refers to the employer and the union promises not to discriminate between members and nonmembers in making referrals, that agreement is not within the states' right to regulate. This has been upheld by the

courts, according to the Attorney General's Office. Section 5 of HB 266 disallows all union referral agreements regardless of whether they require union hiring or not. This provision is not within New Mexico's authority, and is inconsistent with, and thus pre-empted by, the National Labor Relations Act.

FISCAL IMPLICATIONS

There is no appropriation or significant fiscal implication associated with this bill.

MW/ar