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## FISCAL IMPACT REPORT

ORIGINAL DATE 01/31/2007

SPONSOR Ezzell LAST UPDATED \_\_\_\_\_ HB 559

SHORT TITLE Right To Work Act SB \_\_\_\_\_

ANALYST Moser

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
NFI	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Attorney Generals Office (AGO)  
 Administrative Office of the Courts (AOC)  
 NM Department of Corrections

### SUMMARY

#### Synopsis of Bill

House Bill 559 would enact the “Right to Work Act” which would prohibit making hiring, promotion, or continued employment conditional on becoming or remaining a member of a labor organization or paying dues or fees to any kind of labor organization. It would prohibit employers from requiring that a person be approved or recommended by a labor organization before employment, promotion or continued employment. It would prohibit employers from deducting dues or fees on behalf of a labor organization unless the employee so authorizes in writing, and provides that such authorization is revocable.

The Act would not apply to labor agreements in effect on its effective date, but would apply to renewals, extensions, and new agreements entered into after its effective date.

The Act provides for misdemeanor criminal penalties for its violation.

**FISCAL IMPLICATIONS**

There will be no fiscal impact.

**SIGNIFICANT ISSUES**

This bill would outlaw “closed shops”, which are businesses or employees who require that their employees be members of certain labor organizations as a precondition to employment.

The bill would also outlaw “union shops”, or places of employment where the employer may hire either labor union members or nonmembers but where nonmembers must become union members, or begin to pay union dues, within a specified period of time or lose their jobs. The bill would also prohibit “agency shops”, or places of employment in which employees must pay the equivalent of union dues, but which do not require them to formally join the union. According to the National Right to Work Committee, 22 states have enacted so-called “right to work” laws.

The Public Employee Bargaining Act (PEBA) currently allows for employers and unions to agree to “fair share” agreements through which employees are required as a condition of employment to contribute the equivalent of dues to a labor organization. However, subsection (B) of PEBA provides that if PEBA conflicts with other statutes (which would include this bill if it passed), the other statutes control or prevail—this would result in “fair share” fees no longer being applicable upon expiration of any existing contracts.

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