

ALEC's Commerce and Economic Development Committee unanimously endorsed paycheck protection and drew up the *Paycheck Protection Act* (below). Once the final version is approved by ALEC on May 30, 1998, the model bill will be distributed to all ALEC members.

PAYCHECK PROTECTION ACT

Summary

This Act requires labor organizations to establish separate funds for political purposes, establishes registration for the fund, establishes certain criminal provisions governing a labor organization's political activities, and prohibits employees from authorizing automatic payroll deductions for contributions to a labor organization's political committee or fund except through an explicit, signed statement.

Model Legislation

Section 1. {Short Title.} This Act shall be known as the Labor Organizations Deductions Act.

Section 2. {Legislative Declarations.} This legislature finds and declares that:

(A.) The integrity of the political process in the state of [insert state] can only be maintained through the voluntary and informed participation of its citizenry. Political contributions that are made without the knowing and informed consent of individuals, made freely without fear or retaliation, penalty or loss of rights, causes injury to the political process.

(B.) Workers have a right to control their own political contributions and a right to refuse to make political contributions without fear of retaliation, penalty or loss of statutory or other rights.

(C.) Taking political contributions from workers without their fully informed consent violates these workers' rights. Such violations injure the workers, undermine the legitimacy of the political process and can have a corrupting effect on the electoral and governmental process.

(D.) Political contributions taken from workers by deductions from their compensation create a special danger that such contributions are unauthorized and compelled, in violation of the workers' rights. In addition, political contributions by compensation deduction create a special danger of erroneous public perceptions about workers' and employers' political views.

(E.) Workers whose political contribution rights have been violated cannot easily stop violations or vindicate their rights, since the amounts involved are usually small and legal proceedings are long, costly and difficult. Similarly, the State cannot easily combat the public perception of coercion and the loss of public trust and legitimacy caused by violations of workers' political contribution rights.

(F.) Given these concerns and to avoid the perception that the State has any involvement in political contributions, the legislature of [insert state] choose not to permit political contribution deductions from the compensation of any State employee by any State employer.

(G.) In enacting this measure, it is the purpose of this Act to protect workers' rights to control their own political contributions, to ensure that workers' political contributions by compensation deduction are voluntary and fully informed, to avoid the perception that the State of [insert state] is involved in political contributions, to avoid the perception that

ALEC EXPOSED

"ALEC" has long been a secretive collaboration between Big Business and "conservative" politicians. Behind closed doors, they ghostwrite "model" bills to be introduced in state capitols across the country. This agenda—underwritten by global corporations—includes major tax loopholes for big industries and the super rich, proposals to offshore U.S. jobs and gut minimum wage, and efforts to weaken public health, safety, and environmental protections. Although many of these bills have become law, until now, their origin has been largely unknown. With **ALEC EXPOSED**, the Center for Media and Democracy hopes more Americans will study the bills to understand the depth and breadth of how big corporations are changing the legal rules and undermining democracy across the nation.

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employers and workers support political activities which they do not, to preserve public trust in governmental institutions and the electoral process, and to give workers both the means to prevent the deduction or use of political contributions in violation of these principles and the right to receive compensation for such violations.

Section 3. {Definitions.}

(A.) "Political fund" means the separate segregated fund established by a labor organization for political activities according to the procedures and requirements of this part.

(B.) "Labor organization" means any association or organization of employees, and any agency, employee representation committee, or plan in which employees participate that exists, in whole or in part, to advocate on behalf of employees about grievances, labor disputes, wages, rates of pay, hours of work or conditions of employment, including, but not limited to, all employee associations and unions for employees of public and private-sector employers.

(C.) "Political activities" means lobbying, electoral activities, independent expenditures on behalf of or contributions to any candidate, political party, voter registration campaign or any other political or legislative cause.

Section 4. {Limits on labor organization contributions.}

(A.) Except as provided in subsection (B.), union dues may not be expended for political activities.

(B.) (1.) A labor organization may only expend money for lobbying, electoral, and political activities not bearing upon the negotiation, ratification or implementation of a collective bargaining agreement if the labor organization establishes a separate segregated fund to be used for such lobbying, electoral and political activities.

(2.) The labor organization shall ensure that:

(a.) contributions to the political fund are solicited independently from any other solicitations by the labor organization, and the purpose for the political fund is clear and unambiguous on the face of the solicitation;

(b.) dues or other fees for membership in the labor organization are not used for political purposes, transferred to the segregated political fund, or intermingled in any way with political fund monies; and

(c.) the cost of administering the political fund is paid from fund contributions and not from dues or other fees for membership in the labor organization.

Section 5. {Criminal acts – penalties.}

(A.) (1.) It is unlawful for a labor organization to make a political expenditure or contribution by using money or anything of value:

(a.) secured by physical force, job discrimination, membership discrimination, or economic reprisals, or threat of force, job discrimination, membership discrimination, or economic reprisals; or

(b.) from dues, fees, or other monies required as a condition of membership in a labor organization or as a condition of employment, except as collected pursuant to and in compliance with Section 4.

(2.) At the time the labor organization is soliciting money for the political fund from an employee, it is unlawful for a labor organization to fail to:

- (a.) inform an employee of the fund's political purpose; and
- (b.) inform an employee of the employee's right to refuse to contribute without fear of reprisal, or loss of membership in the labor organization.

(3.) It is unlawful for a labor organization to solicit monies for the political fund from any person other than its members.

(4.) It is unlawful for a labor organization to pay a member for a contribution to the political fund from himself or others by providing a bonus, expense account, rebate of dues or other membership fees, or any other form of direct or indirect compensation.

(B.) Any person violating this section is guilty of a misdemeanor.

Section 6. {Assignments to labor unions – Effect}

(A.)(1.) Except as provided in subsection (D.), an employee of any person, firm, school district, or private or municipal corporation within the State/Commonwealth of [insert state] may sign and deliver to his employer a written instrument directing the employer to:

- (a.) deduct a specified sum from his monthly wages; and
- (b.) pay the deduction to a labor organization or union or any other organization of employees as assignee.

(2.) An employee's right to revoke or modify a written instrument authorized under this subsection shall not be abridged.

(B.) An employer who receives a written instrument assigning a specified sum from the employee's wages shall:

- (1.) keep the instrument on file;
- (2.) deduct the specified sum from the employee's salary; and
- (3.) pay the deducted amount to the organization or union designated by the employee.

(C.) The employer shall continue to make and pay the deduction as directed by the employee until the employee revokes or modifies the deduction in writing.

(D.) (1.) Notwithstanding subsection (A.), an employee may not direct an employer to deduct monies from his wages and pay them to:

- (a.) a registered political action committee;
- (b.) a political fund defined by section 3; or
- (c.) any intermediary that contributes to a regional political committee or fund as defined by section 3.

(2.) Nothing in this section prohibits an individual from making personal contributions to a registered political action committee or to a fund as defined by section 1.

Section 7. {Severability Clause.}

Section 8. {Repealer Clause.}

Section 9. {Effective Date.}

Were your laws repealed?

**Center for Media and
Democracy's quick summary**

This bill makes it very difficult for public employee unions to raise funds for political activities. It would significantly impact public employee unions like teacher's unions and the American Federation of State, County, and Municipal Employees (AFSCME), whose expenditures primarily benefit Democrats. This bill requires that unions establish separate segregated funds for political activities, and prohibits the collection of union dues for those activities without the express authorization of the employee.

Later ALEC model legislation like the "Voluntary Contributions Act" and "Political Funding Reform Act" went further by prohibiting public employers from collecting union dues that would be used for political purposes. Wisconsin Governor Scott Walker went even further in 2011 Wisconsin Act 10 and stopped collecting public employee union dues entirely.

Various "Paycheck Protection Acts" were introduced at the federal level throughout the 1990s, the most prominent from Senator Don Nickles (R- Ok.) in 1997.

Paycheck Protection initiatives have been proposed in the following states:

- California: Proposition 226 (1998) and Proposition 75 (2005) were ballot referendums that each failed, approximately 53% - 47%; a 2010 Paycheck Protection Act petition failed to qualify for the ballot.
- Oregon: Ballot Measure 59 (1998), Ballot Measure 98 (2000), and Ballot Measure 64 (2008) were each narrowly defeated.
- Colorado: "Ask First" Initiatives appeared on local ballots in three Colorado cities in 2007, passing in Centennial and failing in Greeley and Englewood. A statewide initiative in 2008, The Limitation on Public Payroll Deductions Initiative, Amendment 49, was defeated 61% - 39%.

The so-called "Paycheck Protection movement" is said to have developed in the mid-1990s by conservative Christians in California. The pro-school-voucher group the Education Alliance focused on electing conservative Christians to local school board positions but were frustrated by the opposition of teacher's unions. Education Alliance took up the Paycheck Protection Act effort to drain unions of resources. The effort was soon adopted by right-wing political operative Grover Norquist, who scaled it up to a nationwide level with his group Americans for Tax Reform, using model ALEC legislation. The National Education Association wrote a report in 1998 telling of a plot by the "far-right" called "The Real Story Behind Paycheck Protection - The Hidden Link Between Anti-Public Education Initiatives: An Anatomy of the Far Right."