

SENATE BILL REPORT

SB 5774

As of January 18, 2018

Title: An act relating to disqualifying employers from tax credits and tax incentives when there have been certain violations of labor relations.

Brief Description: Disqualifying employers from tax credits and tax incentives when there have been certain violations of labor relations.

Sponsors: Senator Chase.

Brief History:

Committee Activity: Commerce, Labor & Sports: 6/28/17.
Labor & Commerce: 1/18/18.

Brief Summary of Bill

- Prohibits a person who committed certain unfair labor practices from claiming any tax credits or benefitting from any tax incentives.

SENATE COMMITTEE ON COMMERCE, LABOR & SPORTS

Staff: Jarrett Sacks (786-7448)

SENATE COMMITTEE ON LABOR & COMMERCE

Staff: Jarrett Sacks (786-7448)

Background: The National Labor Relations Act (NLRA). The NLRA governs collective bargaining rights in the private sector in the United States. Under the NLRA, workers have the right to self organize; to form, join, or assist labor organizations; and to collectively bargain. The NLRA is administered and enforced by the National Labor Relations Board (NLRB). The NLRA makes it an unfair labor practice for an employer to:

- interfere with or coerce employees exercising rights provided for by the NLRA;
- dominate or interfere with the formation or administration of a labor organization;
- discriminate with regard to hiring, tenure of employment, or conditions of employment in order to encourage or discourage membership in any labor organization;

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

- discriminate against an employee for filing charges with the NLRB or taking part in NLRB proceedings; or
- refuse to bargain with the union that is the lawful representative of its employees.

Summary of Bill: A person may not receive any tax credit, or benefit from any tax incentive, if that person, within the previous five years, was found by the NLRB to have engaged in the unfair labor practice of discharging, locking out, failing to recall from layoff, or suspending employees because they support a union or engaged in lawful union activities. The NLRB or a court must issue a final order finding the unfair labor practice occurred in order for the person to be ineligible.

A determination of whether a person is ineligible for a tax credit or a tax incentive can only be made after the Department of Revenue receives written notice that the person is ineligible.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony (Labor & Commerce): PRO: The bill simply makes it so that if you are a known violator of federal labor law, you are not eligible for tax incentives. This stops violators from benefitting from tax breaks.

Persons Testifying (Labor & Commerce): PRO: Senator Maralyn Chase, Prime Sponsor.

Persons Signed In To Testify But Not Testifying (Labor & Commerce): No one.