

SENATE BILL REPORT

SB 5174

As Reported by Senate Committee On:
Commerce, Labor & Sports, February 15, 2017

Title: An act relating to amending the consumer protection act to prohibit labor organizations from engaging in unfair or deceptive acts or practices.

Brief Description: Amending the consumer protection act to prohibit labor organizations from engaging in unfair or deceptive acts or practices.

Sponsors: Senators Angel, Baumgartner, Honeyford and Padden.

Brief History:

Committee Activity: Commerce, Labor & Sports: 2/06/17, 2/15/17 [DP, DNP].

Brief Summary of Bill

- Authorizes the Attorney General or injured persons to bring a civil action under the Consumer Protection Act against a labor organization for unfair or deceptive acts.
- States that it is injurious to the public for any labor organization to mislead or misinform an employee about their rights regarding union membership or paying union dues.

SENATE COMMITTEE ON COMMERCE, LABOR & SPORTS

Majority Report: Do pass.

Signed by Senators Baumgartner, Chair; Braun, Vice Chair; King, Rossi and Wilson.

Minority Report: Do not pass.

Signed by Senators Keiser, Ranking Minority Member; Conway, Hasegawa and Saldaña.

Staff: Jarrett Sacks (786-7448)

Background: The Consumer Protection Act (CPA) prohibits unfair or deceptive acts or practices in the conduct of trade or commerce directly or indirectly affecting the people of Washington. Several statutes specify practices that constitute unfair acts, but they do not provide an exhaustive list. A court may find that conduct not specifically defined as an unfair

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practice in statute is an unfair or deceptive act. The CPA allows a person injured by a violation of the act to bring a private cause of action for damages.

In addition, the CPA authorizes the Attorney General to bring an action in the name of the state or on behalf of persons residing in the state. In an action brought by the Attorney General, the prevailing party may, in the discretion of the court, recover the costs of the action and reasonable attorneys' fees.

The CPA governs all transactions affecting consumers and the public unless exempted by statute. One such exemption states that labor is not a commodity or article of commerce and the CPA does not prohibit the operation of non-profit labor, agricultural, or horticultural organizations instituted for the purposes of mutual benefit.

Summary of Bill: The part of the CPA declaring that labor is not an article of commerce does not prevent the Attorney General or any injured person from bringing civil action under the CPA against a labor organization for unfair or deceptive acts. It is injurious to the public for any labor organization to mislead or misinform an employee about their rights regarding membership in, or the payment of dues to, a labor organization.

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: PRO: Labor organizations are exempt from consumer protection laws even though they are commercial entities and should fall under the CPA. Applying consumer protection laws would deter bad behavior by unions.

CON: The bill overturns current law and declares human labor a commodity. There is already a means with which to address these issues, there is no established need for this bill.

Persons Testifying: PRO: Pat Tarzwell, citizen; Maxford Nelsen, Freedom Foundation.

CON: Lindsey Grad, SEIU 1199.

Persons Signed In To Testify But Not Testifying: No one.