



General Assembly

Substitute Bill No. 385

February Session, 2004

* SB00385GAE 031604 *

AN ACT REQUIRING RECIPIENTS OF STATE FINANCIAL ASSISTANCE TO SIGN NEUTRALITY AGREEMENTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2004*) For purposes of this
2 section and section 2 of this act:

3 (1) "Financial assistance" includes, but is not limited to, all forms of
4 loans, grants, guarantees and tax abatements;

5 (2) "Labor organization" means any organization that exists for the
6 purpose, in whole or in part, of collective bargaining or of dealing with
7 employers concerning grievances, terms or conditions of employment,
8 or of other mutual aid or protection in connection with employment;

9 (3) "Nonprofit organization" means any organization that is exempt
10 from taxation under Section 501(c)(3) of the Internal Revenue Code of
11 1986, or any subsequent corresponding internal revenue code of the
12 United States, as from time to time amended; and

13 (4) "Neutrality agreement" means any agreement signed by the state
14 or any of its agencies and a nonprofit organization receiving financial
15 assistance from the state or any of its agencies, which requires the
16 nonprofit organization, for a period of two years following the receipt
17 of such financial assistance, to: (A) Remain neutral as to the issue of

18 unionization of its employees in any and all communications on such
19 issue between the employer and its employees, (B) assure that the
20 decision of its employees concerning representation by a labor
21 organization is made without interference by the employer and that
22 any meetings between the representatives of the employer and
23 employees concerning unionization is voluntary and occurs outside of
24 standard working hours, (C) refrain from discriminating in hiring
25 based on past labor organizing activity or to encourage or discourage
26 membership in a labor organization, and (D) refrain from using any of
27 the proceeds of state financial assistance for the purpose of hiring or
28 consulting legal counsel or other consultants to advise the nonprofit
29 organization on how to assist, promote or deter labor organizing or
30 how to impede a labor organization that represents the nonprofit
31 organization's employees from fulfilling its representational
32 responsibilities.

33 Sec. 2. (NEW) (*Effective October 1, 2004*) The state and any agency of
34 the state that provides direct or indirect financial assistance to a
35 nonprofit organization on and after October 1, 2004, shall require, as a
36 condition to receiving financial assistance, that the nonprofit
37 organization sign a neutrality agreement.

This act shall take effect as follows:	
Section 1	<i>October 1, 2004</i>
Sec. 2	<i>October 1, 2004</i>

GAE *Joint Favorable Subst.*