



General Assembly

February Session, 2006

**Raised Bill No. 5032**

LCO No. 515

\*00515\_\_\_\_\_LAB\*

Referred to Committee on Labor and Public Employees

Introduced by:  
(LAB)

**AN ACT CONCERNING NEUTRALITY AGREEMENTS AND THE USE OF STATE FINANCIAL ASSISTANCE FOR CERTAIN LABOR ORGANIZING ACTIVITIES.**

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

1 Section 1. (NEW) (*Effective October 1, 2006*) (a) For purposes of this  
2 section:

3 (1) "Neutrality agreement" means an agreement signed by the state  
4 or any of its agencies and an entity receiving financial assistance from  
5 the state or any of its agencies, which prohibits the entity, for a period  
6 of two years following the receipt of such financial assistance, from:  
7 (A) Interfering in labor organizing and education campaigns, (B)  
8 interfering with, or participating in, the activities of labor  
9 organizations, (C) discriminating in hiring based on past labor  
10 organizing activity or the encouragement or discouragement of  
11 membership in a labor organization, (D) persuading employees to  
12 support or oppose labor organizing activity, (E) harassing employees  
13 engaged in labor organizing activity, (F) preparing and distributing  
14 materials that advocate for or against labor organizing, and (G) hiring  
15 or consulting legal counsel or other consultants to advise the entity on

16 how to assist, promote or deter labor organizing or how to impede a  
17 labor organization that represents the entity's employees from  
18 fulfilling its representational responsibilities;

19 (2) "Entity" includes a corporation, including a foreign corporation;  
20 nonprofit corporation; profit and nonprofit unincorporated  
21 association; business trust, estate, partnership, limited liability  
22 company, trust and two or more persons having a joint or common  
23 economic interest;

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

26 (4) "Labor organization" means any organization that exists for the  
27 purpose, in whole or in part, of collective bargaining or of dealing with  
28 employers concerning grievances, terms or conditions of employment,  
29 or of other mutual aid or protection in connection with employment.

30 (b) The state and any agency of the state that provides direct or  
31 indirect financial assistance to an entity on and after October 1, 2006,  
32 shall require, as a condition to receiving financial assistance, that the  
33 entity sign a neutrality agreement.

34 (c) (1) No entity shall use any state financial assistance for any of the  
35 following purposes: (A) Interfering in labor organizing and education  
36 campaigns, (B) interfering with, or participating in, the activities of  
37 labor organizations, (C) discriminating in hiring based on past labor  
38 organizing activity or the encouragement or discouragement of  
39 membership in a labor organization, (D) persuading employees to  
40 support or oppose labor organizing activity, (E) harassing employees  
41 engaged in labor organizing activity, (F) preparing and distributing  
42 materials that advocate for or against labor organizing, and (G) hiring  
43 or consulting legal counsel or other consultants to advise the entity on  
44 how to assist, promote or deter labor organizing or how to impede a  
45 labor organization that represents the entity's employees from  
46 fulfilling its representational responsibilities.

47 (2) No entity receiving any state financial assistance shall employ  
48 any accounting device or method of transferring funds in any manner  
49 intended to impede the purposes of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2006</i>	New section

***Statement of Purpose:***

To require each entity that receives financial assistance from the state to sign a neutrality agreement and to prohibit the use of state financial assistance for certain labor organizing activities.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*