



The Voice of Small Business

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**Testimony on the Labor Strike Penalty Bills and Union Dues Deductions
Before the House Oversight Committee
Tuesday, January 24, 2012**

My name is Charlie Owens and I am the State Director for the National Federation of Independent Business, an advocate for Michigan small businesses owners since 1943. We are here today to support House Bills 5023 through 5026.

These bills are necessary, as was indicated in previous testimony, because it is difficult, expensive, and time consuming to penalize illegally striking employees as the current law is now constructed. Government employee unions have made it clear that they are not afraid to break the law and strike to oppose efforts by the legislature and governor to enact reforms and trim budgets. Last year, for example, the Michigan Education Association (MEA) threatened a statewide strike in reaction to budget cuts and emergency financial manager legislation signed into state law. Some school districts have also had brief strikes.

Why does organized labor feel they should not be subject to penalties when they break the law by supporting and encouraging an illegal strike activity?

I have with me a number of posters that are required to be displayed in a small business and the penalties associated with failing to post the notice and/or not complying with the law or regulation in question. Here are just a few of the penalties that small businesses in the state are subject to by various laws and rules regulating their activity:

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Posting and Related Law-Rule	Penalty for failure to comply
MIOSHA-OSHA Log of work related injury	For intentional falsification - fine of not more than \$10,000, or by imprisonment, for not more than 6 months or both. Failure to post can result in other citations and penalties up to \$7000. Willful violation can result in other citations and penalties up to \$70,000.
MIOSHA General Requirements	For intentional falsification - fine of not more than \$10,000, or by imprisonment, for not more than 6 months or both. Failure to post can result in other citations and penalties up to \$7000. Willful violation can result in other citations and penalties up to \$70,000.
Michigan Civil Rights	Penalty for not posting is not specified Violation of Article 5 \$10,000 first offense, \$25,000 second offense, \$50,000 two or more offenses.
Michigan Whistleblowers Protection Act	Violation of Act up to \$500
State Minimum Wage Notice	Violation of Act up to \$1,000
Michigan Youth Employment	Violation of Act up to \$1,000
Right to Know - MSDS	Failure to post can result in other citations and penalties up to \$7000. Willful violation can result in other citations and penalties up to \$70,000.
Federal OSHA	Failure to post can result in other citations and penalties up to \$7000. Willful violation can result in other citations and penalties up to \$70,000.
Federal Minimum Wage Notice	Civil penalties up to \$1,100 for each willful or repeated violation and up to \$11,000 for each employee who is the subject of the violation. Up to \$50,000 for each child labor violation and \$100,000 where the violation is willful.
Family and Medical Leave Act	DOL action and Private Lawsuit cause of action
US DOL Employee Polygraph Protection Act	Civil penalties up to \$10,000 for each violation
Federal Equal Employment Opportunity	Failure to comply with this section punishable by a fine of not more than \$110 for each separate offense

There are other industry and trade specific posting requirements not covered here, but the point being made is that if a small business is expected to follow and comply with the law, why should organized labor receive deferential treatment for willful violations of strike laws?

As regards House Bill 5025 that would require annual written consent of an employee for the deduction of union membership dues from the employee's wages, we feel that if a worker in Michigan is required to join a labor union and pay dues in order to keep their job, then it only makes sense that all small businesses in Michigan should be required to join our organization in order to continue operating in the state.

We would suggest legislation be introduced that would require all small businesses in the state to belong to the National Federation of Independent Business (NFIB) and pay dues accordingly. We would be willing to obtain the annual written consent of a small business for the remittance of membership dues as we do that every year anyway.

Clearly, if this is good public policy from a labor perspective then it must be good public policy from a business viewpoint.