

## **Health Care Union Transparency, Accountability & Union Member Right to Vote Act**

### **SECTION 1. Findings & Declarations and Statement of Purpose.**

A. In the past 15 years, some large special interest health care unions have proposed dozens of state and local health care policies, not to improve health care, but to gain bargaining leverage over health care providers. Their actions threaten patient access to quality health care at hospitals, health clinics, doctors' offices, and other medical providers. They also threaten jobs for the health care workers the unions are supposed to represent by jeopardizing the financial viability of health care providers.

B. For example, since 2012, just one large California health care labor union alone has been behind at least 45 state and local ballot initiatives in California – spending \$75 million on those initiatives. In most cases, the ballot initiatives either failed at the ballot or were withdrawn before reaching the ballot. Newspapers across the state have editorialized against this abuse of the initiative process, some calling it “a form of political blackmail.”

C. What's worse, executives from these large health care unions are spending tens of millions of dollars of their hardworking members' dues on these dangerous measures, without first getting approval from their members. In fact, most of these union leaders were elected by a very small percentage of the union's total membership – often less than 10% of all union members.

D. Too often, these union leaders don't even disclose to their members exactly how they've spent their dues on political campaigns and political issues that threaten patients and health care workers. And the unions make it almost impossible for a member to opt out of financially supporting some, or all, of the union's political spending.

E. Labor unions have a right to spend money on political issues and measures. But union members also have the right to vote on how their dues money is being spent on politics and have a right to know where their hard-earned dues money is going.

F. This ballot measure will bring transparency and accountability by ensuring that union members are informed annually of how their dues money is being spent on politics and requiring that a majority of a union's members authorize how their dues money is being spent on state and local ballot measures.

G. Therefore, the People hereby enact this measure to ensure health care union members have the right to vote and decide if large amounts of their dues money are to be spent on state and local ballot measures and to increase transparency, so union members know how their money is being spent on political activities every year.

### **SECTION 2. Chapter 5.5 (commencing with section 1107) of Part 3 of Division 2 of the Labor Code is added to read:**

#### Chapter 5.5

##### Health Care Labor Union Members' Right to Vote and Notice of Union Political Activities.

1107. Every health care labor organization organized and operating in the state shall:

(a) Provide written notice to its members of the total amount spent on political activities during the preceding calendar year as provided herein.

(1) The notice shall be mailed to the member's mailing address and emailed to the member's email address, as maintained by the health care labor organization, on or before January 31 of each year. In addition, the currently applicable notice shall be continuously posted and prominently displayed on the health care labor organization's website.

(2) The notice shall include the following and shall be displayed prominently, commencing on the first page of the written and emailed notice required herein:

(A) The total amount of contributions made to elected officers, candidates for elective office, and political parties as identified in Division 7 of the Elections Code;

(B) The total amount of independent expenditures made to support or oppose elected officers and candidates for elective office;

(C) The total amount of contributions made to support or oppose the qualification or passage of state and local measures, including the identification by proposition number or measure number/letter, the jurisdiction, and the general subject matter of each measure;

(D) The total amount of expenditures made to support or oppose the qualification or passage of state or local measures, including the identification by proposition number or measure number/letter, the jurisdiction, and the general subject matter of each measure;

(E) The total amount of payments for member communications as described in Government Code section 85312;

(F) The total amount of payments to influence legislative or administrative action;

(G) The cumulative total of the amounts identified in subdivisions (A) through (F);

(H) The total amount paid by the member receiving the notice for the health care labor organization's political activities identified in subdivisions (A) through (F), whether from the member's dues or contributions; and

(I) Information and instructions on how a member can choose to opt out of financially supporting some, or all, of the health care labor organization's political activities identified in subdivisions (A) through (F).

(3) In determining the amounts required to be disclosed, the health care labor organization shall include all payments made from the health care labor organization and from any sponsored committee of the health care labor organization.

(4) The notice shall include a certification signed, under penalty of perjury, by an officer of the health care labor organization that:

(A) the amounts identified were done so for the benefit of the members and in the furtherance of the organization's stated purposes as provided in the charter, bylaws, or other governing document of the organization; and

(B) the health care labor organization has complied with this section.

(b) Obtain written consent from a majority of its members before the organization makes:

(1) one or more contributions or expenditures, totaling one million dollars (\$1,000,000) or more to support or oppose the qualification or passage of any single state measure during a calendar year;

(2) one or more contributions or expenditures, totaling one hundred thousand dollars (\$100,000) or more to support or oppose the qualification or passage of any single local measure during a calendar year.

(3) The written consent form shall be signed and dated by the member. It shall identify the state or local measure, including the general subject matter of the measure proposed to be supported or opposed, identification by proposition number or measure number/letter, if assigned, and the jurisdiction.

(4) The record of such written consent given shall be submitted to the Labor Commissioner and shall be maintained by the health care labor organization for a period of 5 years.

(5) The notice required by subdivision (a) and the consent required by this subdivision shall apply to any labor organization that receives one hundred thousand dollars (\$100,000) or more from a health care labor organization and, within one year of the receipt of such money, uses it to make a contribution or expenditure to support or oppose a state or local measure as provided in subparagraph (1) or (2).

(6) This subdivision shall not apply to voluntary contributions made by a member to a sponsored committee of a health care labor organization formed to support or oppose state or local ballot measures or to contributions or expenditures made by such a sponsored committee.

(7) This subdivision may not be waived by agreement or contract between the health care labor organization and the member.

(c) For purposes of this section, the definitions in chapter 2 (commencing with section 82000) of Title 9 of the Government Code, shall apply to the following terms: "contribution;" "candidate;" "committee;" "elected officer;" "elective office;" "expenditure;" "independent expenditure;" "measure;" "payment;" "payment to influence legislative or administrative action;" and "sponsored committee."

(d) For purposes of this section, the term

(1) "health care labor organization" means any organization or any agency or employee representation committee or any local unit thereof that:

(A) files a federal tax return under a federal tax identification number assigned to the organization;

(B) has more than fifty thousand (50,000) members;

(C) a majority of its members are employees of a health care facility; and

(D) the organization participates, and exists for the purpose, in whole or in part, of dealing with health care facility employers concerning grievances, labor disputes, wages, hours of employment, or conditions of work.

(2) "member" means a person who is employed in the state and is eligible to vote for the health care labor organization's officers.

(3) "health care facility" means a "covered health care facility" as defined in subdivision (b)(3)(A) of Section 1182.14 of the Labor Code.

(e) A member of a health care labor organization, the Attorney General, or a district attorney may report a violation of this section to the Labor Commissioner, who shall investigate the complaint, and if a violation is determined to have occurred, the Commissioner shall obtain reimbursement for the costs of its investigation from the health care labor organization, and:

(1) impose a civil penalty for each violation of subdivision (a) in the amount of one thousand dollars (\$1,000) per member, which shall be paid to the members who did not receive the notice required by subdivision (a); or

(2) impose a civil penalty equal to the amount contributed or expended in violation of subdivision (b), which shall be paid to the members, on a pro rata basis, who were entitled to, but were denied the opportunity to provide the consent required by subdivision (b).

(f) The Labor Commissioner, the Attorney General, a district attorney, or any member of a health care labor organization may seek injunctive relief in a superior court to compel compliance with this section or remedy a violation, including an award of attorneys' fees.

(g) Any person who attempts to evade or participates in the evasion of the written consent required by subdivision (b), by or through any means, shall be guilty of a misdemeanor and shall be punishable by imprisonment in a county jail for a period up to one year, or a penalty in the amount contributed in violation of subdivision (b).

(h) If any provision of this Act or application thereof to any person or circumstance is held invalid, that invalidity shall not affect other provisions or applications of the Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable. The People intend that each of the substantive provisions of this measure are independently important reforms that the People would have enacted without any of the other provisions.

(i) This Act is intended to be comprehensive. It is the intent of the People that in the event this Act or acts relating to the same subject shall appear on the same statewide election ballot, the provisions of the other act or acts shall be deemed to be in conflict with this Act. In the event that this Act receives a greater number of affirmative votes, the provisions of this Act shall prevail in their entirety, and all provisions of the other act or acts shall be null and void.