



**Senate Fiscal Agency**  
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BILL



ANALYSIS

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House Bill 5352 (as reported without amendment)  
Sponsor: Representative John T. Llewellyn  
House Committee: House Oversight and Ethics  
Senate Committee: Government Operations

### **CONTENT**

The bill would amend Public Act 390 of 1978, which regulates the payment of wages and fringe benefits to employees and prescribes the rights and responsibilities of employers and employees, specifically to prohibit an employer from deducting from an employee's wages an employee contribution to a separate segregated fund established under the Campaign Finance Act by a corporation or labor organization to be used for political purposes, without the written consent of an employee (and obtained without intimidation or fear of discharge for refusal to permit the deduction), unless the deductions were required or expressly permitted by law or by a collective bargaining agreement. Currently, the Act provides that except for deductions required or expressly permitted by law or collective bargaining agreement, an employer may not deduct from the wages of an employee, directly or indirectly, an amount without the employee's written consent (and obtained without intimidation or fear of discharge for refusal to permit the deduction).

(Under Section 55 of the Campaign Finance Act, a corporation (profit or nonprofit), a joint stock company, or a labor organization may make an expenditure for the establishment, administration, and solicitation of contributions to a separate segregated fund to be used for political purposes (often called a political action committee, or PAC). A separate segregated fund must be limited to making contributions to, and expenditures on behalf of, candidate, ballot question, political party, political, and independent committees. Section 55 specifically allows contributions for a separate segregated fund to be solicited from stockholders, officers, employees, and members of a corporation, and members, officers, and employees of a labor organization; however, contributions may not be solicited or obtained for a separate segregated fund from an individual on an automatic or passive basis, including a payroll deduction plan or a reverse checkoff, unless the individual consents to the contribution at least once per year. Contributions obtained by use of coercion or physical force, or as a condition of employment or membership are prohibited.)

MCL 408.477

Legislative Analyst: G. Towne

### **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Date Completed: 12-11-95

Fiscal Analyst: K. Lindquist

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.