

## Supreme Court Limits Union Fees On Non-Members

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### Emmaline Epperson

In last week's decision in *Knox v. SEIU*, the Supreme Court limited unions' ability to charge non-members for political activity.

In several states, workers can opt out of union membership but not out of union dues, because the unions are given exclusive right to bargain for all workers and, thus, to charge for their services.

Because of the decision, if a union decides to temporarily increase dues to spend on political activity, the union must send a notice to workers and allow them to "opt-in." Previously, workers had to act to "opt-out" of an increase.

"I think this decision is very important in general," said Terry Moe, a senior fellow at the Hoover Institution. "This continues a line of decisions that say it is illegal for the unions to require non-members to pay for the union's political activities. If nonmembers want their money, they can have it back. That has been the law for a long time."

### Little Effect Likely

Unions are consistently top spenders in national and local campaigns, and *Knox* will not greatly diminish their political clout, said Trevor Burrus, a legal analyst at the Cato Institute. *Knox* will, however, decrease the amount of funds from non-members that unions can raise for advocacy, he said.

"This is not going to have anything like a big impact on union contributions to campaigns," Moe said, because the number of non-members who pay dues is small and because unions have only to designate an increase as non-political for it to pass muster.

"As long as [unions] can stick to their standard notice that they put out at the beginning of the year, then they can get around [this decision]," Burrus said.

### The History of *Knox*

In 2005, California unions decided to institute a special mid-year increase in dues to combat two state constitutional amendments.

Every California state employee must pay the Service Employees International Union for collective bargaining. Non-members, however, do not have to pay for the union's political activities, as this violates their First Amendment right to free speech.

Unions must send all workers a Hudson Notice, which outlines the political money it spends. In 2005, because the unions used a special assessment, they did not send a notice.

Several non-members sued to not have their money forcibly fund political advocacy.

On June 21, 2012, the Supreme Court ruled in favor of non-members<sup>7-2</sup>.

**Big Implications**

*Knox* may presage a future ruling that could destroy unions' power to have its non-members *and* members opt-out of paying for politics, said Vincent Vernuccio, director of labor policy at the Mackinaw Center for Public Policy.

“The Justices said, ‘Hey give us another case where there is a universal opt-out and not an opt-in.’ The next case is going to be a major milestone,” he said. “The Supreme Court is waving a big red flag saying, ‘Bring it to us.’”