

CHAPTER 6

(SB 6)

AN ACT relating to labor organizations and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 336 IS CREATED TO READ AS FOLLOWS:

- (1) *As used in this section, "employee" means any person employed by or suffered or permitted to work for a public or private employer, except "employee" shall not mean any person covered by the Federal Railway Labor Act and the National Labor Relations Act.*
- (2) *An employee shall not be enrolled as a member of a labor organization unless the employee has affirmatively requested membership in writing.*
- (3) *A sum shall not be withheld from the earnings of any employee for the purpose of paying union dues or other fees paid by members of a labor organization or employees who are non-members except upon the written or electronic authorization of the employee member or employee non-member.*
- (4) *The requirements in this section shall not be waived by any member or non-member of a labor organization, nor required to be waived as a condition of obtaining or maintaining employment.*
- (5) *Signing or refraining from signing the authorization set forth in subsections (2) and (3) of this section shall not be made a condition of obtaining or maintaining employment.*
- (6)
 - (a) *A labor organization shall maintain financial records substantially similar to and no less comprehensive than the records required to be maintained under 29 U.S.C. sec 431(b).*
 - (b) *These records shall be kept in a searchable electronic format and provided to every employee it represents.*
 - (c) *The records and the data or summary by which the records can be verified, explained, or clarified shall be kept for a period of not less than five (5) years.*
- (7) *This section shall not apply to any agreement between employers and employees or labor organizations entered into before the effective date of this Act, but any such agreement entered into, opted in, renewed, or extended on or after the effective date of this Act and which violates this section shall be unlawful and void.*
- (8) *This section shall be known as the "Paycheck Protection Act."*

➔Section 2. KRS 336.180 is amended to read as follows:

As used in KRS 336.190,~~and~~ 336.200, *and Section 1 of this Act*, unless the context requires otherwise, the term "labor organization" means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment or conditions of work.

➔Section 3. KRS 336.990 is amended to read as follows:

- (1) Upon proof that any person employed by the Labor Cabinet as a labor inspector has taken any part in any strike, lockout or similar labor dispute, the person shall forfeit his or her office.
- (2) The following civil penalties shall be imposed, in accordance with the provisions in KRS 336.985, for violations of the provisions of this chapter:
 - (a) Any person who violates KRS 336.110 shall for each offense be assessed a civil penalty of not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000);
 - (b) Any corporation, association, organization, or person that violates KRS 336.190 and 336.200 shall be assessed a civil penalty of not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000) for each offense. Each act of violation, and each day during which such an agreement remains in effect, shall constitute a separate offense;~~and~~
 - (c) Any employer who violates the provisions of KRS 336.220 shall be assessed a civil penalty of not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000) for each violation; *and*

(d) Any labor organization who violates Section 1 of this Act shall be assessed a civil penalty of not less than one hundred dollars (\$100) nor more than one thousand dollars (\$1,000) for each offense.

➔Section 4. KRS 337.060 is amended to read as follows:

- (1) No employer shall withhold from any employee any part of the wage agreed upon. This section shall not make it unlawful for an employer to withhold or divert any portion of an employee's wage when the employer is authorized to do so by local, state, or federal law or when a deduction is expressly authorized in writing by the employee to cover insurance premiums, hospital and medical dues, or other deductions not amounting to a rebate or deduction from the standard wage arrived at by collective bargaining or pursuant to wage agreement or statute, nor shall it preclude deductions for union dues where such deductions are authorized by joint wage agreements or collective bargaining contracts negotiated between employers and employees or their representative **and meet the requirements of Section 1 of this Act. However, a collective bargaining agreement entered into, opted in, renewed, or extended on or after the effective date of this Act shall not contain provisions authorizing or requiring the deduction of any portion of an employee's wages without the written consent of the employee.**
- (2) Notwithstanding the provisions of subsection (1) of this section, no employer shall deduct the following from the wages of employees:
 - (a) Fines;
 - (b) Cash shortages in a common money till, cash box or register used by two (2) or more persons;
 - (c) Breakage;
 - (d) Losses due to acceptance by an employee of checks which are subsequently dishonored if such employee is given discretion to accept or reject any check; or
 - (e) Losses due to defective or faulty workmanship, lost or stolen property, damage to property, default of customer credit, or nonpayment for goods or services received by the customer if such losses are not attributable to employee's willful or intentional disregard of employer's interest.

➔Section 5. KRS 67A.6909 is amended to read as follows:

Subject to the requirements set forth in Section 1 of this Act, upon the written authorization of any police officers, firefighter personnel, firefighters, or corrections personnel within a bargaining unit, the urban-county government shall deduct from the payroll of the police officer, firefighter personnel, firefighter, or corrections personnel the monthly amount of dues as certified by the secretary of the exclusive bargaining representative, and shall deliver the same to the treasurer of the exclusive bargaining representative.

➔Section 6. KRS 67C.416 is amended to read as follows:

Subject to the requirements set forth in Section 1 of this Act, upon the written authorization of any police officers within a bargaining unit, the consolidated local government shall deduct from the payroll of the police officer the monthly amount of dues as certified by the secretary of the exclusive bargaining representative and shall deliver the same to the treasurer of the exclusive bargaining representative.

➔Section 7. KRS 161.158 is amended to read as follows:

- (1) (a) Each district board of education may form its employees into a group or groups or recognize existing groups for the purpose of obtaining the advantages of group life, disability, medical, and dental insurance, or any group insurance plans to aid its employees including the state employee health insurance group as described in KRS 18A.225 to 18A.2287, as long as the employees continue to be employed by the board of education. Medical and dental group insurance plans obtained under authority of this section may include insurance benefits for the families of the insured group or groups of employees. Any district board of education may pay all or part of the premium on the policies, and may deduct from the salaries of the employees that part of the premium which is to be paid by them and may contract with the insurer to provide the above benefits. As permitted in KRS 160.280(4), board members shall be eligible to participate in any group medical or dental insurance provided by the district for employees.
- (b) If a district board of education participates in the state employee health insurance program, as described in KRS 18A.225 to 18A.2287, for its active employees and terminates participation and there is a state appropriation approved by the General Assembly for the employer's contribution for active employees'

health insurance coverage, neither the board of education nor the employees shall receive the state-funded contribution after termination from the state employee health insurance program.

- (c) If a district board of education participates in the state employee health insurance program as described in KRS 18A.225 to 18A.2287 for its active employees, all district employees who are required to be offered health insurance coverage for purposes of, and in accordance with, the federal Patient Protection and Affordable Care Act of 2010, Pub. L. No. 111-148, shall be eligible for the state-funded contribution appropriated by the General Assembly for the employer's contribution for active employees' health insurance coverage.
- (2) (a) Each district board of education shall adopt policies or regulations which will provide for:
1. *a.* Deductions from salaries of its employees or groups of employees whenever a request is presented to the board by said employees or groups thereof.
 - b.* The deductions shall be made from salaries earned in at least eight (8) different pay periods.
 - c.* The deductions may be made for, but are not limited to, membership dues, tax-sheltered annuities, and group insurance premiums.
 - d.* ***The district board is prohibited from deducting membership dues of an employee organization, membership organization, or labor organization without the express written consent of the employee. Express written consent of the employee may be revoked in writing by the employee at any time. This provision shall apply to contracts entered into, opted in, extended or renewed on or after the effective date of this Act.***
 - e.* With the exception of membership dues, the board shall not be required to make more than one (1) remittance of amounts deducted during a pay period for a separate type of deduction; and
 2. Deductions from payments for the per diem and actual expenses provided under KRS 160.280(1) to members of the district board of education whenever a request is presented by a board member to the board. The deductions may be made for but not be limited to membership dues, health insurance purchases, scholarship funds, and contributions to a political action committee.
- (b) The deductions under paragraph (a)1. and 2. of this subsection shall be remitted to the appropriate organization or association as specified by the employees within thirty (30) days following the deduction, provided the district has received appropriate invoices or necessary documentation.
- (c) Health insurance, life insurance, and tax-sheltered annuities shall be interpreted as separate types of deductions. When amounts have been correctly deducted and remitted by the board, the board shall bear no further responsibility or liability for subsequent transaction.
- (3) Payments and deductions made by the board of education under the authority of this section are presumed to be for services rendered and for the benefit of the common schools, and the payments and deductions shall not affect the eligibility of any school system to participate in the public school funding program as established in KRS Chapter 157.

➔Section 8. KRS 345.110 is amended to read as follows:

Subject to the requirements set forth in Section 1 of this Act, upon the written authorization of any firefighters within a bargaining unit, the public employer shall deduct from the payroll of the public employee the monthly amount of dues as certified by the secretary of the exclusive bargaining representative and shall deliver the same to the treasurer of the exclusive bargaining representative.

➔Section 9. Whereas it is critical to the economy and citizens of Kentucky to attract new business and investment into the Commonwealth as soon as possible, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming law.

Signed by Governor January 9, 2017.