

1 AN ACT relating to labor organizations and declaring an emergency.

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

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

5 (1) *As used in this section:*

6 (a) *"Employee" means any person employed by or suffered or permitted to*
7 *work for a public or private employer;*

8 (b) *"Political activities" means lobbying, electoral activities, or making*
9 *expenditures on behalf of or contributions to any candidate, political party,*
10 *voter registration campaign, or any other political or legislative cause; and*

11 (c) *"Political fund" means a separate segregated fund established by a labor*
12 *organization for political activities.*

13 (2) *An employee shall not be enrolled as a member of a labor organization unless the*
14 *employee has affirmatively requested membership in writing.*

15 (3) *A sum shall not be withheld from the earnings of any employee for the purpose of*
16 *paying union dues or other fees paid by members of a labor organization or*
17 *employees who are non-members except upon the annual written or electronic*
18 *authorization of the employee member or employee non-member.*

19 (4) *A labor organization shall only make expenditures for political activities if the*
20 *labor organization establishes a separate, segregated political fund that meets the*
21 *requirements of this section and shall not use or obtain any portion of union dues*
22 *or any other fees of membership, paid by members of a labor organization or*
23 *employees who are non-members, for that political fund.*

24 (5) *A labor organization shall ensure that:*

25 (a) *Union dues or other fees of membership in the labor organization are not*
26 *used for political purposes, transferred to a political fund, or intermingled*
27 *in any way with political fund moneys;*

- 1 (b) The cost of administration of the political fund is paid from contributions to
2 that fund and not from union dues or other fees for membership in the
3 labor organization;
- 4 (c) Contributions to the political fund are solicited independently from any
5 other solicitations by the labor organization;
- 6 (d) When soliciting contributions for the political fund, an employee is fully
7 informed of the fund's political purpose and of the right to refuse to
8 contribute without the fear of reprisal or loss of membership in the labor
9 organization;
- 10 (e) Contributions to a political fund shall be voluntary and shall not come from
11 or be remitted by the employer of the contributor; and
- 12 (f) A bonus, expense account, rebate of dues or fees, or any other form of
13 direct or indirect compensation shall not be provided in return for a
14 contribution to a political fund.
- 15 (6) The requirements in this section shall not be waived by any member or non-
16 member of a labor organization, nor required to be waived as a condition of
17 obtaining or maintaining employment.
- 18 (7) Signing or refraining from signing the authorization set forth in subsections (2)
19 and (3) of this section shall not be made a condition of obtaining or maintaining
20 employment.
- 21 (8) (a) A labor organization shall maintain financial records substantially similar
22 to and no less comprehensive than the records required to be maintained
23 under 29 U.S.C. sec 431(b).
- 24 (b) These records shall be kept in a searchable electronic format and provided
25 to every employee it represents.
- 26 (c) The records and the data or summary by which the records can be verified,
27 explained, or clarified shall be kept for a period of not less than five (5)

1 years.

2 **(9) This section shall not apply to any agreement between employers and employees**
3 **or labor organizations entered into before the effective date of this Act, but any**
4 **such agreement entered into, opted in, renewed, or extended on or after the**
5 **effective date of this Act and which violates Section 1 of this Act shall be**
6 **unlawful and void.**

7 **(10) This section shall be known as the "Paycheck Protection Act."**

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

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

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

16 (1) Upon proof that any person employed by the Labor Cabinet as a labor inspector has
17 taken any part in any strike, lockout or similar labor dispute, the person shall forfeit
18 his or her office.

19 (2) The following civil penalties shall be imposed, in accordance with the provisions in
20 KRS 336.985, for violations of the provisions of this chapter:

21 (a) Any person who violates KRS 336.110 shall for each offense be assessed a
22 civil penalty of not less than one hundred dollars (\$100) nor more than one
23 thousand dollars (\$1,000);

24 (b) Any corporation, association, organization, or person that violates KRS
25 336.190 and 336.200 shall be assessed a civil penalty of not less than one
26 hundred dollars (\$100) nor more than one thousand dollars (\$1,000) for each
27 offense. Each act of violation, and each day during which such an agreement

1 remains in effect, shall constitute a separate offense; ~~and~~

2 (c) Any employer who violates the provisions of KRS 336.220 shall be assessed a
3 civil penalty of not less than one hundred dollars (\$100) nor more than one
4 thousand dollars (\$1,000) for each violation; and

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

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

9 (1) No employer shall withhold from any employee any part of the wage agreed upon.
10 This section shall not make it unlawful for an employer to withhold or divert any
11 portion of an employee's wage when the employer is authorized to do so by local,
12 state, or federal law or when a deduction is expressly authorized in writing by the
13 employee to cover insurance premiums, hospital and medical dues, or other
14 deductions not amounting to a rebate or deduction from the standard wage arrived at
15 by collective bargaining or pursuant to wage agreement or statute, nor shall it
16 preclude deductions for union dues where such deductions are authorized by joint
17 wage agreements or collective bargaining contracts negotiated between employers
18 and employees or their representative and meet the requirements of Section 1 of
19 this Act. However, a collective bargaining agreement entered into, opted in,
20 renewed, or extended on or after the effective date of this Act shall not contain
21 provisions authorizing or requiring the deduction of any portion of an employee's
22 wages without the written consent of the employee.

23 (2) Notwithstanding the provisions of subsection (1) of this section, no employer shall
24 deduct the following from the wages of employees:

25 (a) Fines;

26 (b) Cash shortages in a common money till, cash box or register used by two (2)
27 or more persons;

- 1 (c) Breakage;
- 2 (d) Losses due to acceptance by an employee of checks which are subsequently
3 dishonored if such employee is given discretion to accept or reject any check;
4 or
- 5 (e) Losses due to defective or faulty workmanship, lost or stolen property,
6 damage to property, default of customer credit, or nonpayment for goods or
7 services received by the customer if such losses are not attributable to
8 employee's willful or intentional disregard of employer's interest.

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

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

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

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

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

- 24 (1) (a) Each district board of education may form its employees into a group or
25 groups or recognize existing groups for the purpose of obtaining the
26 advantages of group life, disability, medical, and dental insurance, or any
27 group insurance plans to aid its employees including the state employee health

1 insurance group as described in KRS 18A.225 to 18A.2287, as long as the
2 employees continue to be employed by the board of education. Medical and
3 dental group insurance plans obtained under authority of this section may
4 include insurance benefits for the families of the insured group or groups of
5 employees. Any district board of education may pay all or part of the premium
6 on the policies, and may deduct from the salaries of the employees that part of
7 the premium which is to be paid by them and may contract with the insurer to
8 provide the above benefits. As permitted in KRS 160.280(4), board members
9 shall be eligible to participate in any group medical or dental insurance
10 provided by the district for employees.

11 (b) If a district board of education participates in the state employee health
12 insurance program, as described in KRS 18A.225 to 18A.2287, for its active
13 employees and terminates participation and there is a state appropriation
14 approved by the General Assembly for the employer's contribution for active
15 employees' health insurance coverage, neither the board of education nor the
16 employees shall receive the state-funded contribution after termination from
17 the state employee health insurance program.

18 (c) If a district board of education participates in the state employee health
19 insurance program as described in KRS 18A.225 to 18A.2287 for its active
20 employees, all district employees who are required to be offered health
21 insurance coverage for purposes of, and in accordance with, the federal Patient
22 Protection and Affordable Care Act of 2010, Pub. L. No. 111-148, shall be
23 eligible for the state-funded contribution appropriated by the General
24 Assembly for the employer's contribution for active employees' health
25 insurance coverage.

26 (2) (a) Each district board of education shall adopt policies or regulations which will
27 provide for:

- 1 1. a. Deductions from salaries of its employees or groups of employees
2 whenever a request is presented to the board by said employees or
3 groups thereof.
- 4 b. The deductions shall be made from salaries earned in at least eight
5 (8) different pay periods.
- 6 c. The deductions may be made for, but are not limited to,
7 membership dues, tax-sheltered annuities, and group insurance
8 premiums.
- 9 d. *The district board is prohibited from deducting membership dues*
10 *of an employee organization, membership organization, or labor*
11 *organization without the express written consent of the*
12 *employee. Express written consent of the employee may be*
13 *revoked in writing by the employee at any time. This provision*
14 *shall apply to contracts entered into, opted in, extended or*
15 *renewed on or after the effective date of this Act.*
- 16 e. With the exception of membership dues, the board shall not be
17 required to make more than one (1) remittance of amounts
18 deducted during a pay period for a separate type of deduction; and
- 19 2. Deductions from payments for the per diem and actual expenses
20 provided under KRS 160.280(1) to members of the district board of
21 education whenever a request is presented by a board member to the
22 board. The deductions may be made for but not be limited to
23 membership dues, health insurance purchases, scholarship funds, and
24 contributions to a political action committee.
- 25 (b) The deductions under paragraph (a)1. and 2. of this subsection shall be
26 remitted to the appropriate organization or association as specified by the
27 employees within thirty (30) days following the deduction, provided the

1 district has received appropriate invoices or necessary documentation.

2 (c) Health insurance, life insurance, and tax-sheltered annuities shall be
3 interpreted as separate types of deductions. When amounts have been
4 correctly deducted and remitted by the board, the board shall bear no further
5 responsibility or liability for subsequent transaction.

6 (3) Payments and deductions made by the board of education under the authority of this
7 section are presumed to be for services rendered and for the benefit of the common
8 schools, and the payments and deductions shall not affect the eligibility of any
9 school system to participate in the public school funding program as established in
10 KRS Chapter 157.

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

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

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