

1 AN ACT relating to the administration of payroll systems and declaring an
2 emergency.

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

4 ➔Section 1. KRS 336.180 is amended to read as follows:

5 As used in this chapter, unless the context requires otherwise:

6 (1) "Candidate" means any person who has received contributions or made
7 expenditures, has appointed a campaign treasurer, or has given his or her
8 consent for any other person to receive contributions or make expenditures with a
9 view to bringing about his or her nomination or election to public office, except
10 federal office;

11 (2) "Committee" includes the following:

12 (a) "Campaign committee," which means one (1) or more persons who receive
13 contributions and make expenditures to support or oppose one (1) or more
14 specific candidates or slates of candidates for nomination or election to any
15 state, county, city, or district office, but does not include an entity
16 established solely by a candidate which is managed solely by a candidate
17 and a campaign treasurer and whose name is generic in nature, such as
18 "Friends of (the candidate)," and does not reflect that other persons have
19 structured themselves as a committee, designated officers of the committee,
20 and assigned responsibilities and duties to each officer with the purpose of
21 managing a campaign to support or oppose a candidate in an election;

22 (b) "Caucus campaign committee," which means members of any caucus
23 groups who receive contributions and make expenditures to support or
24 oppose one (1) or more specific candidates or slates of candidates for
25 nomination or election to any state, county, city, or district office, or a
26 committee in Kentucky or in any other state. Caucus campaign committees
27 include but are not limited to:

- 1 1. The House Democratic caucus campaign committee;
2 2. The House Republican caucus campaign committee;
3 3. The Senate Democratic caucus campaign committee;
4 4. The Senate Republican caucus campaign committee; and
5 5. Subdivisions of the state executive committee of a minor political
6 party, which serve the same function as the above-named committees,
7 as determined by administrative regulations promulgated by the
8 Kentucky Registry of Election Finance;
9 (c) "Political issues committee," which means three (3) or more persons
10 joining together to advocate or oppose a constitutional amendment or ballot
11 measure if that committee receives or expends money in excess of one
12 thousand dollars (\$1,000);
13 (d) "Permanent committee," which means a group of individuals, including an
14 association, committee, or organization, other than a campaign committee,
15 political issues committee, inaugural committee, caucus campaign
16 committee, or a party executive committee, which is established as, or
17 intended to be, a permanent organization having as a primary purpose
18 expressly advocating the election or defeat of one (1) or more clearly
19 identified candidates, slates of candidates, or political parties, which
20 functions on a regular basis throughout the year;
21 (e) An executive committee of a political party; and
22 (f) "Inaugural committee," which means one (1) or more persons who receive
23 contributions and make expenditures in support of inauguration activities
24 for any candidate or slate of candidates elected to any state, county, city, or
25 district office;
26 (3) "Contributing organization" means a group which merely contributes to
27 candidates, slates of candidates, campaign committees, caucus campaign

1 committees, or executive committees from time to time from funds derived solely
2 from within the group, and which does not solicit or receive funds from sources
3 outside the group itself;

4 (4) "Contribution" means any:

5 (a) Payment, distribution, loan, deposit, or gift of money or other thing of
6 value, to a candidate, his or her agent, a slate of candidates, its authorized
7 agent, a committee, or contributing organization but shall not include a
8 loan of money by any financial institution doing business in Kentucky made
9 in accordance with applicable banking laws and regulations and in the
10 ordinary course of business. As used in this subsection, "loan" shall
11 include a guarantee, endorsement, or other form of security where the risk
12 of nonpayment rests with the surety, guarantor, or endorser, as well as with
13 a committee, contributing organization, candidate, slate of candidates, or
14 other primary obligor. No person shall become liable as surety, endorser, or
15 guarantor for any sum in any one (1) election which, when combined with
16 all other contributions the individual makes to a candidate, his or her agent,
17 a slate of candidates, its agent, a committee, or a contributing organization,
18 exceeds the contribution limits provided in KRS 121.150;

19 (b) Payment by any person other than the candidate, his or her authorized
20 treasurer, a slate of candidates, its authorized treasurer, a committee, or a
21 contributing organization, of compensation for the personal services of
22 another person which are rendered to a candidate, slate of candidates,
23 committee, or contributing organization, or for inauguration activities;

24 (c) Goods, advertising, or services with a value of more than one hundred
25 dollars (\$100) in the aggregate in any one (1) election which are furnished
26 to a candidate, slate of candidates, committee, or contributing organization
27 or for inauguration activities without charge, or at a rate which is less than

1 the rate normally charged for the goods or services; or

2 (d) Payment by any person other than a candidate, his or her authorized
3 treasurer, a slate of candidates, its authorized treasurer, a committee, or
4 contributing organization for any goods or services with a value of more
5 than one hundred dollars (\$100) in the aggregate in any one (1) election
6 which are utilized by a candidate, slate of candidates, committee, or
7 contributing organization, or for inauguration activities;

8 (5) "Election" means any primary, regular, or special election. Each primary,
9 regular, or special election shall be considered a separate election;

10 (6) "Electioneering communications" means:

11 (a) Any communication broadcast by television or radio, printed in a newspaper
12 or on a billboard, directly mailed or delivered by hand to personal
13 residences, or in telephone calls made to personal residences, or otherwise
14 distributed that:

15 1. Unambiguously refers to any candidate for any state, county, city, or
16 district office, or to any ballot measure;

17 2. Is broadcast, printed, mailed, delivered, made, or distributed within
18 thirty (30) days before a primary election or sixty (60) days before a
19 general election; and

20 3. Is broadcast to, printed in a newspaper, distributed to, mailed to or
21 delivered by hand to, in telephone calls made to, or otherwise
22 distributed to an audience that includes members of the electorate for
23 such public office or the electorate associated with the ballot
24 containing the ballot measure.

25 (b) "Electioneering communications" does not include:

26 1. Any news articles, editorial endorsements, opinions or commentary,
27 writings, or letters to the editor printed in a newspaper, magazine, or

- 1 other periodical not owned by or controlled by a candidate, committee,
 2 or political party;
- 3 2. Any editorial endorsements or opinions aired by a broadcast facility
 4 not owned or controlled by a candidate, committee, or political party;
- 5 3. Any communication by persons made in the regular course and scope
 6 of their business or any communication made by a membership
 7 organization solely to members of such an organization and their
 8 families;
- 9 4. Any communication that refers to any candidate only as part of the
 10 popular name of a bill or statute; or
- 11 5. A communication that constitutes a contribution or independent
 12 expenditure as defined in this section;

13 ~~[(1) The term "labor organization" means any organization of any kind, or any agency~~
 14 ~~or employee representation committee, association or union which exists for the~~
 15 ~~purpose, in whole or in part, of dealing with employers concerning wages, rates of~~
 16 ~~pay, hours of employment or conditions of work, or other forms of compensation;]~~

17 ~~(7)~~~~[(2)]~~ "Employer"~~[(The term "employer")]~~ means all persons, firms, associations,
 18 corporations, public employers, public school employers, and public colleges,
 19 universities, institutions, and education agencies;~~[and]~~

20 (8) "Fundraiser" means an individual who directly solicits and secures contributions
 21 on behalf of a candidate or slate of candidates for a statewide-elected state office,
 22 or an office in a jurisdiction with a population in excess of two hundred thousand
 23 (200,000) residents;

24 (9) "Independent expenditure" means the expenditure of money or other things of
 25 value for a communication which expressly advocates the election or defeat of a
 26 clearly identified candidate or slate of candidates, and which is made without any
 27 coordination, consultation, or cooperation with any candidate, slate of

1 candidates, campaign committee, or any authorized person acting on behalf of
 2 any of them, and which is not made in concert with, or at the request or
 3 suggestion of any candidate, slate of candidates, campaign committee, or any
 4 authorized person acting on behalf of any of them;

5 (10) "Labor organization" means any organization of any kind, or any agency or
 6 employee representation committee, association or union which exists for the
 7 purpose, in whole or in part, of dealing with employers concerning wages, rates
 8 of pay, hours of employment or conditions of work, or other forms of
 9 compensation. Except, for the purposes of Section 1, 2, 3, 4, 5, 6, 7, or 8 of this
 10 Act, "labor organization" shall not include organizations which primarily
 11 represent public employees working in the protective vocations of active law
 12 enforcement officer, jail and corrections officer, or active fire suppression or
 13 prevention personnel;

14 ~~[(3) The term "public employee" means an employee of a "public agency" as that term~~
 15 ~~is defined in KRS 61.870(1).]~~

16 (11) "Political activities" means any contribution or independent expenditure made:

17 (a) To any committee;

18 (b) To any contributing organization;

19 (c) To any candidate;

20 (d) To any slate of candidates;

21 (e) To any fundraiser;

22 (f) For any electioneering communications;

23 (g) For any testimonial affair;

24 (h) In any manner intended to influence the outcome of any election;

25 (i) In any manner intended to otherwise promote or support the defeat of any:

26 1. Candidate;

27 2. Slate of candidates; or

1 3. Ballot measure; or

2 (j) In any manner intended to advance any position held by any person or
3 entity other than the public employee regarding any:

4 1. Election;

5 2. Candidate;

6 3. Slate of candidates; or

7 4. Ballot measure;

8 (12) "Public employee" means an employee of a "public agency" as that term is
9 defined in KRS 61.870;

10 (13) "Slate of candidates" means:

11 (a) Between the time a certificate or petition of nomination has been filed for a
12 candidate for the office of Governor under KRS 118.365 and the time the
13 candidate designates a running mate for the office of Lieutenant Governor
14 under KRS 118.126, a slate of candidates consists of the candidate for the
15 office of Governor; and

16 (b) After that candidate has designated a running mate under KRS 118.126,
17 that same slate of candidates consists of that same candidate for the office
18 of Governor and the candidate's running mate for the office of Lieutenant
19 Governor. Unless the context requires otherwise, any provision of law that
20 applies to a candidate shall also apply to a slate of candidates; and

21 (14) "Testimonial affair" means an affair held in honor of a person who holds or who
22 is or was a candidate for nomination or election to a state, city, county, or district
23 political office designed to raise funds for the purpose of influencing the outcome
24 of an election, otherwise promoting support for, or the defeat of, any candidate,
25 slate of candidates, or ballot measure.

26 ➔Section 2. KRS 336.134 is amended to read as follows:

27 A public employer shall not deduct from the wages, earnings, or compensation of any

1 public employee for:

2 (1) Any dues, fees, assessments, or other charges to be held for, transferred to, or
 3 paid over to a labor organization; or

4 (2) Political activities

5 ~~[A public employer or a labor organization representing public employees shall not~~
 6 ~~deduct membership dues of an employee organization, association, or union from the~~
 7 ~~wages, earnings, or compensation of a public employee without the express written~~
 8 ~~consent of the public employee. This consent shall be made prior to any deductions being~~
 9 ~~made and may be revoked by the public employee at any time by written notice to the~~
 10 ~~employer].~~

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

13 A public employer shall not assist, directly or indirectly, any labor organization,
 14 person, or other legal entity with the collection of dues, fees, assessments, or other
 15 charges, or political activities or personal information related to those activities.

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

18 Sections 1, 2, and 3 of this Act shall not apply to any deductions from a public
 19 employee's wages, compensation, or earnings made by the public employer in
 20 accordance with any joint wage agreement or collective bargaining contract entered
 21 into, opted into, modified, renewed, or extended prior to the effective date of this Act.
 22 However, any joint wage agreement or collective bargaining contract entered into,
 23 opted into, modified, renewed, or extended after the effective date of this Act, as well as
 24 any deductions made to a public employee's wages, compensation, or earnings made in
 25 accordance with those joint wage agreements or collective bargaining contracts or
 26 otherwise made after the effective date of this Act, shall comply with Sections 2 and 3
 27 of this Act.

1 ➔Section 5. KRS 336.135 is amended to read as follows:

- 2 (1) As used in this section, "employee" means any person employed by or suffered or
3 permitted to work for a public or private employer, except "employee" shall not
4 mean any person covered by the Federal Railway Labor Act and the National Labor
5 Relations Act.
- 6 (2) An employee shall not be enrolled as a member of a labor organization unless the
7 employee has affirmatively requested membership in writing.
- 8 (3) A sum shall not be withheld from the earnings of any employee for the purpose of
9 paying union dues or other fees paid by members of a labor organization or
10 employees who are non-members except upon the written or electronic
11 authorization of the employee member or employee non-member, unless the
12 employer is a public employer, in which case Section 2 of this Act applies to that
13 employer.
- 14 (4) The requirements in this section shall not be waived by any member or non-
15 member of a labor organization, nor required to be waived as a condition of
16 obtaining or maintaining employment.
- 17 (5) Signing or refraining from signing the authorization set forth in subsections (2) and
18 (3) of this section shall not be made a condition of obtaining or maintaining
19 employment.
- 20 (6) (a) A labor organization shall maintain financial records substantially similar to
21 and no less comprehensive than the records required to be maintained under
22 29 U.S.C. sec. 431(b).
- 23 (b) These records shall be kept in a searchable electronic format and provided to
24 every employee it represents.
- 25 (c) The records and the data or summary by which the records can be verified,
26 explained, or clarified shall be kept for a period of not less than five (5) years.
- 27 (d) A labor organization composed of public employees shall transmit financial

1 *records detailing the labor organization's quarterly expenses to its members*
2 *on an annual basis.*

3 (7) This section shall not apply to any agreement between employers and employees or
4 labor organizations entered into before January 9, 2017, but any such agreement
5 entered into, opted in, renewed, or extended on or after January 9, 2017, and which
6 violates this section shall be unlawful and void.

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

8 ➔Section 6. KRS 161.158 is amended to read as follows:

9 (1) (a) Each district board of education may form its employees into a group or
10 groups or recognize existing groups for the purpose of obtaining the
11 advantages of group life, disability, medical, and dental insurance, or any
12 group insurance plans to aid its employees including the state employee health
13 insurance group as described in KRS 18A.225 to 18A.2287, as long as the
14 employees continue to be employed by the board of education. Medical and
15 dental group insurance plans obtained under authority of this section may
16 include insurance benefits for the families of the insured group or groups of
17 employees. Any district board of education may pay all or part of the
18 premium on the policies, and may deduct from the salaries of the employees
19 that part of the premium which is to be paid by them and may contract with
20 the insurer to provide the above benefits. As permitted in KRS 160.280(4),
21 board members shall be eligible to participate in any group medical or dental
22 insurance provided by the district for employees.

23 (b) If a district board of education participates in the state employee health
24 insurance program, as described in KRS 18A.225 to 18A.2287, for its active
25 employees and terminates participation and there is a state appropriation
26 approved by the General Assembly for the employer's contribution for active
27 employees' health insurance coverage, neither the board of education nor the

1 employees shall receive the state-funded contribution after termination from
2 the state employee health insurance program.

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

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

13 1. a. Deductions from salaries of its employees or groups of employees
14 whenever a request is presented to the board by said employees or
15 groups thereof.

16 b. The deductions shall be made from salaries earned in at least eight
17 (8) different pay periods.

18 c. The deductions may be made for, but are not limited to,
19 membership dues, tax-sheltered annuities, and group insurance
20 premiums.

21 d. The district board is prohibited from deducting membership dues
22 of an employee organization, membership organization, or labor
23 organization~~[without the express written consent of the employee.~~
24 ~~Express written consent of the employee may be revoked in~~
25 ~~writing by the employee at any time].~~ This provision shall apply to
26 contracts entered into, opted in, extended or renewed on or after
27 January 9, 2017.

- 1 e. With the exception of membership dues, the board shall not be
2 required to make more than one (1) remittance of amounts
3 deducted during a pay period for a separate type of deduction; and
- 4 2. Deductions from payments for the per diem and actual expenses
5 provided under KRS 160.280(1) to members of the district board of
6 education whenever a request is presented by a board member to the
7 board. The deductions may be made for but not be limited to
8 membership dues, health insurance purchases, scholarship funds, and
9 contributions to a political action committee.
- 10 (b) The deductions under paragraph (a)1. and 2. of this subsection shall be
11 remitted to the appropriate organization or association as specified by the
12 employees within thirty (30) days following the deduction, provided the
13 district has received appropriate invoices or necessary documentation.
- 14 (c) Health insurance, life insurance, and tax-sheltered annuities shall be
15 interpreted as separate types of deductions. When amounts have been
16 correctly deducted and remitted by the board, the board shall bear no further
17 responsibility or liability for subsequent transaction.
- 18 (3) Payments and deductions made by the board of education under the authority of this
19 section are presumed to be for services rendered and for the benefit of the common
20 schools, and the payments and deductions shall not affect the eligibility of any
21 school system to participate in the public school funding program as established in
22 KRS Chapter 157.
- 23 ➔Section 7. KRS 164.365 is amended to read as follows:
- 24 (1) Anything in any statute of the Commonwealth to the contrary notwithstanding, the
25 power over and control of appointments, qualifications, salaries, and compensation
26 payable out of the State Treasury or otherwise, promotions, and official relations of
27 all employees of Eastern Kentucky University, Western Kentucky University,

1 Murray State University, Northern Kentucky University, and Morehead State
2 University, as provided in KRS 164.350 and 164.360, and of Kentucky State
3 University and the Kentucky Community and Technical College System, shall be
4 under the exclusive jurisdiction of the respective governing boards of each of the
5 institutions named.

6 (2) The board of regents for the Kentucky Community and Technical College System
7 shall develop personnel rules for the governing of its members, officers, agents, and
8 employees by June 30, 1998. The board shall adopt interim policies to govern
9 employees hired from July 1, 1997, until the permanent rules are adopted.

10 (3) Upon receipt of a written authorization from an employee of the Kentucky
11 Community and Technical College System, the board shall deduct dues from the
12 employee's paycheck for employee membership organizations, except that no
13 deduction shall be made for labor organization membership dues, fees,
14 assessments, or contributions for political activities. Dues shall be deducted at a
15 rate established by the organization, and shall be discontinued upon written
16 notification by an employee to both the system and the employee organization. On a
17 quarterly basis, the Kentucky Community and Technical College System shall
18 provide to each employee membership organization an updated list that includes the
19 names and home addresses of the employees who are having dues deducted from
20 their paychecks for the purpose of maintaining membership in that organization.

21 ➔Section 8. KRS 336.990 is amended to read as follows:

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

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

27 (a) Any person who violates KRS 336.110 or 336.130 shall for each offense be

1 assessed a civil penalty of not less than one hundred dollars (\$100) nor more
2 than one thousand dollars (\$1,000);

3 (b) Any corporation, association, organization, or person that violates KRS
4 336.190 and 336.200 shall be assessed a civil penalty of not less than one
5 hundred dollars (\$100) nor more than one thousand dollars (\$1,000) for each
6 offense. Each act of violation, and each day during which such an agreement
7 remains in effect, shall constitute a separate offense;

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

11 (d) Any labor organization who violates KRS 336.135 shall be assessed a civil
12 penalty of not less than one hundred dollars (\$100) nor more than one
13 thousand dollars (\$1,000) for each offense.

14 (e) Any public employer or labor organization that violates Section 1, 2, 3, 4, 5,
15 6, or 7 of this Act shall be assessed a civil penalty of not less than one
16 hundred dollars (\$100) nor more than one thousand dollars (\$1,000) for
17 each offense.

18 (3) Any labor organization, employer, or other person who directly or indirectly
19 violates KRS 336.130(3) shall be guilty of a Class A misdemeanor.

20 (4) Any person aggrieved as a result of any violation or threatened violation of KRS
21 336.130(3) may seek abatement of the violation or threatened violation by
22 petitioning a court of competent jurisdiction for injunctive relief and shall be
23 entitled to costs and reasonable attorney fees if he or she prevails in the action.

24 (5) Any person injured as a result of any violation or threatened violation of KRS
25 336.130(3) may recover all damages resulting from the violation or threatened
26 violation and shall be entitled to costs and reasonable attorney fees if he or she
27 prevails in the action.

1 ➔Section 9. Whereas the Commonwealth has a compelling and immediate
2 interest in avoiding the appearance that public resources are being used to support
3 partisan political activity, an emergency is declared to exist, and this Act takes effect
4 upon passage and approval by the Governor, or upon its otherwise becoming a law.