# Local Mandate Fiscal Impact Estimate Kentucky Legislative Research Commission 2017 Regular Session

#### **Part I: Measure Information**

Bill Request #: 484						
Bill #: SB 6 GA						
Bill Subject/Title: AN ACT relating to labor organizations and declaring an emergency.						
Sponsor: Senator Robert Stivers						
Unit of Government:xCityxCountyxUrban-CountyxCharter CountyxConsolidated LocalxGovernment						
Office(s) Impacted: All local government offices with employees who are in unions						
Requirement: <u>x</u> Mandatory Optional						
Effect on Powers & Duties: <u>x</u> Modifies Existing <u>x</u> Adds New Eliminates Existing						

### Part II: Purpose and Mechanics

Section 1 of SB 6 GA creates a new section of KRS Chapter 336 that certain employees of public or private employers shall be required to request labor organization membership in writing before they can be enrolled in the organization. "Employee" in this section does not mean any person covered by the Federal Railway Labor Act and the National Labor Relations Act.

Union dues or fees paid by relevant labor organization members cannot be withheld from earnings without a written or electronic authorization from the employee members or non-members. The requirements of this section cannot be waived, or required to be waived, as a condition of employment.

Labor organizations are required to maintain financial records similar to but no less comprehensive than those in 29 U.S.C. Section 431(b), such records shall be maintained in a searchable electronic format and provided to represented employees and all records and data necessary for verification shall be kept for no less than five years.

Section 1 applies to labor agreements entered into, opted in, renewed or extended on or after the effective date; such agreements which violate Section 1 are unlawful and void.

Sections 2, 4, 5, 6 and 8 amend, consistent with Section 1, KRS sections 336.180, 337.060, 67A.6909, 67C.416 and 345.110, respectively. Section 3 amends KRS 336.990 to include a civil penalty of \$100 to 1,000, for each violation of Section 1.

## Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

#### The fiscal impact of SB 6 GA on local government is expected to be nil to minimal.

Preliminary review indicates that only 11 cities formally recognize a labor unit and enter into one or more collective bargaining agreements. The agreements are largely with specific groups of employees, such as police or fire departments. Some current agreements may have membership reporting requirements relating to the withholding of dues that would be nullified by this legislation, slightly reducing the administrative processing burden on city payroll employees.

Data Source(s):	Kentucky League of Cities, Kentucky Association of Counties, Fayette
	County Urban Government

<b>Preparer:</b>	John V. Ryan	<b>Reviewer:</b>	JWN	Date:	1/6/17
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