



Under current law, KRS 161.158, a district board of education is prohibited from deducting funds for an employee organization, membership organization, or labor organization without the express written consent of the employee, which may be revoked in writing by the employee. **Section 5** amends this statute to specify that the written consent of the employee has to come directly from the employee to the district board. In addition, **Section 5** mandates that all related withholdings by the district board, employee organization, membership organization, or labor organization be ceased at the receipt of a request by the employee. In addition, no further debt to the employee organization, membership organization, or labor organization shall accrue. **Section 5** also requires an authorization for withholding form, and specifies the structure and some content on the form.

Under current law, KRS 336.135, withholdings may not be made for the purpose of paying union dues or other fees paid by members of a labor organization. **Section 6** clarifies that written consent of the employee may be revoked at any time. Upon receipt of a request, the employer or labor organization shall cease any withholding of dues or other fees from the employees' wages and no further debt to the labor organization shall accrue. **Section 6** also requires an authorization for withholding form, and specifies the structure and content on the form.

**Section 7** requires that any payroll deduction from an employee within any city, consolidated local government, or urban-county government made in association with a labor organization shall have a written authorization compliant with **Section 6**.

**Section 8** requires that any payroll deduction from an employee within the Kentucky Community and Technical College System made in association with a labor organization shall have a written authorization compliant with **Section 6**.

**Section 9** amends KRS 336.990 to create a penalty for violations of **SB 7**. The penalty for any public employer or labor organization who violates **Sections 2-8** shall be assessed a civil penalty ranging from \$100 to \$1,000.

**The fiscal impact of SB 7 on local government is expected to be minimal.** The Kentucky League of Cities states, "According to our data, only 11 cities formally collectively bargain with at least one union. Of course, Louisville and Lexington have the most employees and those recognize unions for many of their workers."

Senate Bill 7 would create a minimal negative administrative impact by requiring cities that recognize unions to solicit and maintain written authorization from the employee for those deductions. As a result, the city would need to retain additional personnel records and manage withholdings much more on an individual basis instead of department-wide. The city would also need to determine whether the union uses the dues collected to perform political activities, which has a pretty broad definition in the legislation. If the unions use the dues for any political activity, then the city would be forbidden from collecting their dues. This could require a certification process with the unions that could require additional forms and paperwork and likely would eliminate the ability of cities to collect and remit those fees from paychecks."

The Kentucky Association of Counties was contacted for input. As of the submission of this Local Mandate Statement, a response has not been received from the organization. When a response is received, the statement may be updated accordingly.

**Part III: Differences to Local Government Mandate Statement from Prior Versions**

Part II, above, pertains to the bill as introduced.

**Data Source(s):** LRC Staff; Kentucky League of Cities

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