

Section 2 of SB 7 HCS 1 would amend KRS 336.134 to prohibit deduction from a public employee's wages, earnings, or compensation for a labor organization or for political activities.

Section 3 would create a new section of KRS Chapter 336 to prohibit a public employer assisting a labor organization, person, or other legal entity with the collection of dues, fees, assessments or other charges, or political activities or personal information related to those activities.

Section 4 would exempt from the prohibition deductions authorized by state or federal law, or deductions in accordance with a joint agreement or collective bargaining contract or otherwise made before the effective date of the bill.

Section 5 would make conforming changes to KRS 336.135 and require that a labor organization of public employees transmit financial records of its quarterly expenses to its members annually.

Section 8 would impose a civil penalty of \$100 to \$1,000 on a public employer or labor organization that violates Section 1, 2, 3, 4, 5, 6, 7 of the Act.

Section 9 would declare an emergency and establish that SB 7 HCS 1 is effective on passage and approval by the governor, or upon its otherwise becoming law.

SB 7 HCS 1 would have no fiscal impact on local governments. According to the Kentucky League of Cities, only 11 cities formally engage in collective bargaining with at least one union. Louisville and Lexington have the most employees and they each recognize unions for many of their workers.

SB 7 HCS 1 would prohibit a public employer from deducting from union or labor organization dues from its employees' wages. This would reduce the administrative burden, and any attendant expense, on local government employers due to maintaining records of deductions to be made, soliciting and keeping track of signatures authorizing deductions, and ensuring amounts deducted are not funding political activities of labor organizations as SB 7 GA would have required.

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

Part II applies to SB 7 HCS 1. House Committee Substitute 1 would reduce the fiscal impact on local governments from that of SB 7 GA. Relative to this local mandate, House Committee Substitute 1:

- changes the definition of "labor organization" to exclude organizations which primarily represent public employees working in active law enforcement, jail and corrections officer, or active fire suppression or prevention personnel;

- adds new Sections 2, 3, and 5 to prohibit public employers taking deductions from employee's wages or other compensation for labor organization dues or for political activities, with no option for employees to request such deductions be made; and
- adds to Section 5 a requirement that a labor organization comprised of public employees transmit financial records of its quarterly expenses to its members annually.

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

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