

HB0267S02 compared with HB0267

{Omitted text} shows text that was in HB0267 but was omitted in HB0267S02

inserted text shows text that was not in HB0267 but was inserted into HB0267S02

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Public Sector Labor Union Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jordan D. Teuscher

Senate Sponsor: Kirk A. Cullimore

LONG TITLE

General Description:

This bill amends provisions governing public {employer} employee, public safety, and public fire labor organizations.

Highlighted Provisions:

This bill:

- defines terms;
- requires a labor {union} organization for which a public employer collects union dues to provide an annual accounting to the labor {union} organization members and to the Labor Commission;
- {prohibits-} requires a public {employer from recognizing a-} employee labor organization {as-} to conduct a {bargaining agent for public employees} recertification election every five years;
- {prohibits a public employer from entering into collective bargaining contracts;}
- prohibits using public money or public property to assist, promote, or deter union organizing or administration;
- excludes new {employees for a-} labor organization employees from participating in Utah Retirement Systems;

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- 18 ▶ authorizes the state risk manager to acquire and administer professional liability insurance
18 for:
18 ▶ { ~~authorizes the state risk manager to acquire and administer professional liability insurance for-~~ }
disputes between a K-12 personnel and a public employer; and
21 • other public employees if there is a sufficient demand; and
20 ▶ makes technical and conforming changes.

23 Money Appropriated in this Bill:

24 None

25 This bill provides a special effective date.

28 AMENDS:

29 **10-3-1109** , as enacted by Laws of Utah 2003, Chapter 284 , as enacted by Laws of Utah 2003,
Chapter 284

30 **17-33-11.5** , as enacted by Laws of Utah 2003, Chapter 284 , as enacted by Laws of Utah 2003,
Chapter 284

31 **17B-1-804** , as last amended by Laws of Utah 2023, Chapter 15 , as last amended by Laws of Utah
2023, Chapter 15

32 **49-11-202** , as last amended by Laws of Utah 2020, Chapter 352 , as last amended by Laws of Utah
2020, Chapter 352

33 **49-11-205** , as last amended by Laws of Utah 2023, Chapter 16 , as last amended by Laws of Utah
2023, Chapter 16

34 **49-12-202** , as last amended by Laws of Utah 2023, Chapter 328 , as last amended by Laws of Utah
2023, Chapter 328

35 **49-13-202** , as last amended by Laws of Utah 2023, Chapter 328 , as last amended by Laws of Utah
2023, Chapter 328

36 **49-22-202** , as last amended by Laws of Utah 2018, Chapter 415 , as last amended by Laws of Utah
2018, Chapter 415

37 **63A-4-101.5** , as last amended by Laws of Utah 2022, Chapter 169 , as last amended by Laws of
Utah 2022, Chapter 169

38 ENACTS:

39 **34-32-202** , Utah Code Annotated 1953 , Utah Code Annotated 1953

40 **49-11-627** , Utah Code Annotated 1953 , Utah Code Annotated 1953

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41 RENUMBERS AND AMENDS:

- 42 **34-32-101** , (Renumbered from 34-32-1, as last amended by Laws of Utah 2011, Chapter 220) ,
(Renumbered from 34-32-1, as last amended by Laws of Utah 2011, Chapter 220)
- 44 **34-32-102** , (Renumbered from 34-32-1.1, as last amended by Laws of Utah 2023, Chapter 16) ,
(Renumbered from 34-32-1.1, as last amended by Laws of Utah 2023, Chapter 16)
- 46 **34-32-201** , (Renumbered from 34-32-2, as enacted by Laws of Utah 1969, Chapter 85) ,
(Renumbered from 34-32-2, as enacted by Laws of Utah 1969, Chapter 85)
- 47 **34-32-301** , (Renumbered from 34-32-3, as last amended by Laws of Utah 2018, Chapter 148) ,
(Renumbered from 34-32-3, as last amended by Laws of Utah 2018, Chapter 148)
- 49 **34-32-401** , (Renumbered from 34-32-4, as last amended by Laws of Utah 2011, Chapter 297) ,
(Renumbered from 34-32-4, as last amended by Laws of Utah 2011, Chapter 297)

51 REPEALS:

- 52 **34-20a-1** , as last amended by Laws of Utah 1995, Chapter 20 , as last amended by Laws of Utah
1995, Chapter 20
- 53 **34-20a-2** , as last amended by Laws of Utah 1995, Chapter 20 , as last amended by Laws of Utah
1995, Chapter 20
- 54 **34-20a-3** , as enacted by Laws of Utah 1975, Chapter 102 , as enacted by Laws of Utah 1975,
Chapter 102
- 55 **34-20a-4** , as enacted by Laws of Utah 1975, Chapter 102 , as enacted by Laws of Utah 1975,
Chapter 102
- 56 **34-20a-5** , as enacted by Laws of Utah 1975, Chapter 102 , as enacted by Laws of Utah 1975,
Chapter 102
- 57 **34-20a-6** , as last amended by Laws of Utah 1995, Chapter 20 , as last amended by Laws of Utah
1995, Chapter 20
- 58 **34-20a-7** , as enacted by Laws of Utah 1975, Chapter 102 , as enacted by Laws of Utah 1975,
Chapter 102
- 59 **34-20a-8** , as enacted by Laws of Utah 1975, Chapter 102 , as enacted by Laws of Utah 1975,
Chapter 102
- 60 **34-20a-9** , as enacted by Laws of Utah 1975, Chapter 102 , as enacted by Laws of Utah 1975,
Chapter 102

61

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62 *Be it enacted by the Legislature of the state of Utah:*

63 Section 1. Section **10-3-1109** is amended to read:

64 **10-3-1109. Compliance with Labor Code requirements.**

Each municipality shall comply with the requirements of Section ~~[34-32-1.1]~~ 34-32-102.

66 Section 2. Section **17-33-11.5** is amended to read:

67 **17-33-11.5. Compliance with Labor Code requirements.**

Each county shall comply with the requirements of Section ~~[34-32-1.1]~~ 34-32-102.

69 Section 3. Section **17B-1-804** is amended to read:

70 **17B-1-804. Compliance with Labor Code requirements.**

Each special district shall comply with the requirements of Section ~~[34-32-1.1]~~ 34-32-102.

72 Section 4. Section **34-32-101** is renumbered and amended to read:

72 **CHAPTER 32. PUBLIC SECTOR LABOR ORGANIZATIONS**

73 **Part 1. General Provisions**

76 ~~[34-32-1]~~ **34-32-101. Definitions.**

75 [(1)] As used in this [section] chapter:

76 [(a) "Employee" means a person employed by any person, partnership, public, private, or municipal corporation, school district, the state, or any political subdivision of the state.]

78 [(b) "Employer" means the person or entity employing an employee.]

79 [(c)

. (i) "Labor organization" means a lawful organization of any kind that is composed, in whole or in part, of employees, and that exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or other terms and conditions of employment.]

83 [(ii) Except as provided in Subsection (1)(c)(iii), "labor organization" includes each employee association and union for employees of public and private sector employers.]

85 [(iii) "Labor organization" does not include organizations governed by the National Labor Relations Act, 29 U.S.C. Sec. 151 et seq. or the Railroad Labor Act, 45 U.S.C. Sec. 151 et seq.]

88 [(d) "Union dues" means dues, fees, money, or other assessments required as a condition of membership or participation in a labor organization.]

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- 93 [(2) An employee may direct an employer, in writing, to deduct from the employee's wages a specified sum for union dues, not to exceed 3% per month, to be paid to a labor organization designated by the employee.]
- 97 [(3) An employer shall promptly commence or cease making deductions for union dues from the wages of an employee for the benefit of a labor organization when the employer receives a written communication from the employee directing the employer to commence or cease making deductions.]
- 99 [(4) An employee's request that an employer cease making deductions may not be conditioned upon a labor organization's:]
- 100 [(a) receipt of advance notice of the request; or]
- 101 [(b) prior consent to cessation of the deductions.]
- 102 [(5) A labor organization is not liable for any claim, service, or benefit that is:]
- 103 [(a) available only to a member of the labor organization; and]
- 105 [(b) terminated as a result of an employee's request that the employer cease making deductions for union dues.]
- 108 [(6) An employee may join a labor organization or terminate membership at any time. A person may not place a restriction on the time that an employee may join, or terminate membership with, a labor organization.]
- 109 [(7) An employee may not waive a provision of this section.]
- 111 ~~{(1) {"Employee" means an individual employed by a person, partnership, public, private, or municipal corporation, school district, the state, or a political subdivision of the state.}}~~
- 115 {(2) (1) {"Employer"} "Class" means {the person employing an employee.} a group of public employees:
- 116 (a) not represented by a labor organization for purposes of collective bargaining; and
- 117 (b) that consists of members and not members.
- 119 (2) "Collective bargaining representative" means a labor organization that engages in collective bargaining on a collective bargaining unit's behalf.
- 120 (3) "Collective bargaining unit" means a group of public employees:
- 121 (a) represented by a single labor organization for purposes of collective bargaining; and
- 122 (b) that consists of members and not members.
- 112 ~~{(3)}~~ (4)

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- (a) "Labor organization" means a lawful organization of any kind that is composed, in whole or in part, of employees, and that exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or other terms and conditions of employment.
- 116 (b) Except as provided in Subsection ~~{(3)(e)}~~ (4)(c), "labor organization" includes each employee association and union for employees of public and private sector employers.
- 119 (c) "Labor organization" does not include ~~{an organization}~~ :
- 120 ~~{(i) {governed by the National Labor Relations Act, 29 U.S.C. Sec. 151 et seq.:-}}~~
- 121 ~~{(ii) {governed by the Railroad Labor Act, 45 U.S.C. Sec. 151 et seq.; or}-}~~
- 122 ~~{(iii)}~~ (i) an organization that has entered into a labor agreement or labor protective agreement under the Urban Mass Transportation Act, 49 U.S.C. Sec.5333(b){-} ; or
- 131 (ii) an employer's internal functions, such as human resources or legal services, whether performed directly by the employer or through third-party contractors.
- 133 (5) "Member" means a public employee who is a member of a labor organization.
- 124 ~~{(4)}~~ (6) "Political purposes" means an act done with the intent or in a way to influence or tend to influence, directly or indirectly, an individual to refrain from voting or to vote for or against any candidate for public office at any caucus, political convention, primary, or election.
- 128 ~~{(5)}~~ (7) "Public employee" means an individual employed by a public employer.
- 129 ~~{(6)}~~ (8) "Public employer" means an employer that is:
- 130 (a) the state of Utah or any administrative subunit of the state;
- 131 (b) a state institution of higher education; or
- 132 (c) ~~{a municipal corporation, county, a municipality, a school district}~~ a municipal corporation, county, a municipality, a school district, a charter school, a special district, a special service district, or any other political subdivision of the state.
- 134 ~~{(7)}~~ (9) "Public money" means the same as that term is defined in Section 76-1-101.5.
- 135 ~~{(8)}~~ (10)
- (a) "Public property" means real property, personal property, or intellectual property that is owned, held, or managed by a public employer.
- 137 (b) "Public property" includes a website, computer program, record, or data that is owned, held, or managed by a public employer.
- 139 ~~{(9)}~~ (11) "Representative" means a labor organization representative.

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150 (12) "Third-party election facilitator" means an entity that, as part of the entity's operations, provides
impartial election administration, including ballot preparation, tabulation, and results certification.

153 (13)

140 ~~{(10)}~~ (a) "Union activity" means an activity that a labor organization, a member, or a representative
performs that relates to:

142 ~~{(a)}~~ (i) advocating the general interests of members in wages, benefits, or terms and conditions of
employment;

144 ~~{(b)}~~ (ii) enforcing the labor organization's internal policies and procedures;

145 ~~{(e)}~~ (iii) fulfilling the labor organization's obligations; or

146 ~~{(d)}~~ (iv) advancing the labor organization's external relations; or

147 ~~{(e)}~~ {union organizing.}

160 (b) "Union activity" does not include advocating for a public employee in a specific employment
dispute.

148 ~~{(11)}~~ (14) "Union dues" means dues, fees, assessments, or other money required as a condition of
membership or participation in a labor organization.

150 ~~{(12)}~~ { "Union organizing" means communicating with a public employee in an effort to persuade the
public employee to join or support a labor organization. }

164 Section 5. Section **34-32-102** is renumbered and amended to read:

166 ~~[34-32-1.1]~~ **34-32-102. Prohibiting public employers from making payroll deductions for**
political purposes -- Recertification requirements for public employee collective bargaining ~~{-~~
organizations -- Prohibiting the use of public money or public property for union activity.

156 [(1) As used in this section:]

157 [(a)

(i) "Labor organization" means a lawful organization of any kind that is composed, in whole or in part, of employees and that exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or other terms and conditions of employment.]

161 [(ii) Except as provided in Subsection (1)(a)(iii), "labor organization" includes each employee association and union for public employees.]

163 [(iii) "Labor organization" does not include organizations governed by the National Labor Relations Act, 29 U.S.C. Sec. 151 et seq. or the Railroad Labor Act, 45 U.S.C. Sec. 151 et seq.]

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- 166 [(b) "Political purposes" means an act done with the intent or in a way to influence or tend to influence,
directly or indirectly, any person to refrain from voting or to vote for or against any candidate for
public office at any caucus, political convention, primary, or election.]
- 169 [(e) "Public employee" means a person employed by:]
- 170 [(i) the state of Utah or any administrative subunit of the state;]
- 171 [(ii) a state institution of higher education; or]
- 172 [(iii) a municipal corporation, a county, a municipality, a school district, a special district, a special
service district, or any other political subdivision of the state.]
- 174 [(d) "Public employer" means an employer that is:]
- 175 [(i) the state of Utah or any administrative subunit of the state;]
- 176 [(ii) a state institution of higher education; or]
- 177 [(iii) a municipal corporation, a county, a municipality, a school district, a special district, a special
service district, or any other political subdivision of the state.]
- 179 [(e) "Union dues" means dues, fees, assessments, or other money required as a condition of membership
or participation in a labor organization.]
- 181 [(2)] (1) A public employer may not deduct from the wages of [its] the public employer's employees
any amounts to be paid to:
- 183 (a) a candidate as defined in Section 20A-11-101;
- 184 (b) a personal campaign committee as defined in Section 20A-11-101;
- 185 (c) a political action committee as defined in Section 20A-11-101;
- 186 (d) a political issues committee as defined in Section 20A-11-101;
- 187 (e) a registered political party as defined in Section 20A-11-101;
- 188 (f) a political fund as defined in Section 20A-11-1402; or
- 189 (g) any entity established by a labor organization to solicit, collect, or distribute money primarily for
political purposes as defined in this chapter.
- 191 (2)
- . (a)
- . (i) In 2026 and every fifth calendar year thereafter, a collective bargaining representative shall
engage, at the collective bargaining representative's expense, a third-party election facilitator to
conduct a secret ballot election to certify the collective bargaining representative.
- 211 (ii) The third-party election facilitator shall complete the election no later than December 1.

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- 213 (b)
- . (i) If a majority of the employees in the collective bargaining unit vote in favor of certifying the collective bargaining representative, the collective bargaining representative may continue as the collective bargaining unit's collective bargaining representative.
- 217 (ii) If less than a majority of employees in the collective bargaining unit vote to certify the collective bargaining representative, the collective bargaining unit remains represented in collective bargaining until the day on which the collective bargaining agreement expires.
- 221 (c) A public employer may not conduct another collective bargaining representative secret ballot election for a collective bargaining unit if the collective bargaining unit votes not to certify a collective bargaining representative for 12 months after the day on which the collective bargaining representative's representation ends.
- 225 (3)
- . (a) Beginning January 1, 2026, a class that want to engage a collective bargaining representative shall engage a third-party election facilitator to conduct a secret ballot election to contract with a collective bargaining representative.
- 228 (b)
- . (i) If a majority of the employees in the class votes in favor of contracting with the collective bargaining representative, the collective bargaining representative may serve as the class's collective bargaining representative, making the class a collective bargaining unit.
- 232 (ii) If less than a majority of the class vote in favor of contracting with the collective bargaining representative, the class remains unrepresented by a collective bargaining representative,
- . ~~{(a)}~~ (c) A public employer may not {recognize a labor organization as a bargaining agent of public employees or collectively bargain or enter into any} conduct another collective bargaining representative secret ballot election for a class that votes not to contract with a {labor organization or a} collective bargaining representative for 12 months after the day on which the election is final.
- 194 ~~{(b)}~~ {For a collective bargaining agreement that is in effect on May 7, 2025, Subsection (2)(a) does not apply until the public employer and the labor organization enter into a new collective bargaining agreement or renew, extend, or modify the existing collective bargaining agreement.}
- 238 (4)
- 198 ~~{(3)}~~ (a) A public employer may not use public money or access public property to:
- 199 ~~{(a)}~~ (i) assist or support union activity;

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- 200 ~~{(b)}~~ (ii) compensate a public employee or a third party for union activity; or
- 201 ~~{(e)}~~ (iii) provide a public employee paid leave that is in addition to the public employee's regularly
accrued leave to allow the public employee to participate in union activity.
- 244 (b) A public employer shall have a written policy that provides the requirements for a third-party
organization to use public property that is real property and managed by the public employer.
- 203 ~~{(4)}~~ (5) A labor organization, member, or representative may not ~~{use}~~ receive public money or use
public property ~~{for union activity}~~ in a manner that violates Subsection (4).
- 205 ~~{(5)}~~ (6) Nothing in Subsection ~~{(3)}~~ (4) or (5) prohibits:
- 206 (a) a public employer from:
- 207 (i) spending public money or using public property for performing an activity required by federal law or
state law; or
- 209 (ii) compensating a public employee for annual leave, sick leave, or other leave that the public
employee accrues as a benefit of the public employee's employment, provided the public employer
gives the compensation on the same terms as any other public employee;
- 213 (b) a labor organization or a representative from accessing public property that is real property:
- 215 (i) in the same manner and to the same extent as the public employer allows access to any other external
individual or entity; or
- 217 (ii) on a limited case-by-case basis, at the public employer's invitation, and if the public employer
determines that allowing the labor organization or representative access to the public property is in
the public employees' best interests; ~~{or}~~
- 220 (c) a public employee from engaging in discussion with other individuals in the workplace during the
public employee's break or when the public employee may discuss non-work related matters ~~{:}~~ ; or
- 267 (d) a public employer spending public money for a public employee to participate in union activity if
the labor organization fully compensates the public employer for the public money spent.
- 270 (7) For public property that is real property and not accessible to the public, the public employer shall
provide space for a labor organization or a representative as the public employer deems is in the best
interest of the public employer's public employees.
- 273 (8) Nothing in this section provides public employees a right to collective bargaining.
- 223 ~~[(3) The attorney general may bring an action to require a public employer to comply with the
requirements of this section.]~~
- 276 Section 6. Section ~~34-32-201~~ is renumbered and amended to read:

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227

Part 2. Assignments

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~~[34-32-2]~~ 34-32-201. Assignments to farm organizations -- Effect.

Whenever any producer of farm products within the state executes and delivers to a dealer or processor of farm products, either as a clause in a sales agreement or other instrument in writing, whereby such processor or dealer is directed to deduct a sum or a rate not exceeding 3% of the price to be paid for any such produce, such processor or dealer shall deduct from the price to be paid for any farm product being sold by any such producer to any such processor or dealer, the amount so authorized and the producer or dealer shall pay the same to a farm organization as assignee.

287

Section 7. Section 7 is enacted to read:

288

34-32-202. Assignments to labor organizations -- Effect -- Reporting requirement.

290

(1)

239

~~{(1)}~~ (a) {An-} A public employee may direct {an-} a public employer, in writing, to deduct from the public employee's wages a specified sum for union dues, not to exceed 3% per month, to be paid to a labor organization designated by the public employee.

293

(b) A public employer shall verify the labor organization is accepting union dues from the public employee before deducting the specified sum for union dues.

242

(2) {An-} A public employer shall promptly commence or stop making deductions for union dues from the wages of {an-} a public employee for the benefit of a labor organization when the public employer receives a written communication from the public employee directing the public employer to commence or stop making deductions.

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(3) {An-} A public employee's request that {an-} a public employer stop making deductions may not be conditioned upon a labor organization's:

248

(a) receipt of advance notice of the request; or

249

(b) consent to stop the deductions.

250

(4) A labor organization is not liable for any claim, service, or benefit that is:

251

(a) available only to a member of the labor organization; and

252

(b) terminated as a result of {an-} a public employee's request that the public employer stop making deductions for union dues.

254

(5)

(a) {An-} A public employee may join a labor organization or terminate membership at any time.

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- 255 (b) A person may not place a restriction on the time that {an-} a public employee may join or terminate participation with a labor organization.
- 257 (6) {An-} A public employee may not waive a provision of this section.
- 258 (7) {On April-} Beginning July 1, 2027, on July 1 of each year, a labor organization that receives union dues {using-} from a member through payroll deduction shall report to the labor organization's members and to the Labor Commission for the preceding calendar year:
- 261 (a) the amount the labor organization spent on:
- 262 (i) {representing-} representation of union members in disputes;
- 263 (ii) lobbying;
- 264 (iii) {giving to-} political donations and other political activities; and
- 265 (iv) {giving-} payments, dues, and contributions to affiliate or umbrella organizations; and
- 266 (b) the number of members in the labor organization.
- 267 (8) Nothing in this section provides public employees a right to collective bargaining.

322 Section 8. Section **34-32-301** is renumbered and amended to read:

270

Part 3. Enforcement

325 **~~[34-32-3]~~ 34-32-301. Failure to comply -- Penalty -- Attorney general to enforce.**

- 272 (1) Any employer, dealer, or processor who willfully fails to comply with the duties imposed by [this chapter] Section 34-32-102 is guilty of a class B misdemeanor.
- 274 (2) The attorney general may bring a civil action to require compliance with a provision of this chapter.

330 Section 9. Section **34-32-401** is renumbered and amended to read:

278

Part 4. Exceptions

333 **~~[34-32-4]~~ 34-32-401. Exceptions from chapter.**

- 280 (1) The provisions of this chapter do not apply to carriers as that term is defined in the Railway Labor Act passed by the Congress of the United States, June 21, 1934. 48 Stat. 1189, U.S. Code, Title 45, Section 151.
- 283 (2) Nothing in this chapter is intended to, or may be construed to, preempt any requirement of federal law.

339 Section 10. Section **49-11-202** is amended to read:

340 **49-11-202. Establishment of Utah State Retirement Board -- Quorum -- Terms -- Officers -- Expenses and per diem.**

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- 288 (1) There is established the Utah State Retirement Board composed of seven board members
determined as follows:
- 290 (a) [~~Four~~] four board members, with experience in investments or banking, shall be appointed by the
governor from the general public[-] ;
- 292 (b) [~~One~~] one board member shall be a school employee appointed by the governor [~~from at least three
nominations submitted by the {f} governing board of the school employees' association that is
representative of a majority of the school employees who are members of a system administered by
the board.~~] { office } ;
- 296 (c) [~~One~~] one board member shall be a public employee appointed by the governor [~~from at least
three nominations submitted by {f} the governing board of the public employee association that is
representative of a majority of the public employees who are members of a system administered by
the board.~~] { the office } ; and
- 300 (d) [~~One~~] one board member shall be the state treasurer.
- 301 (2) Four board members constitute a quorum for the transaction of business.
- 302 (3)
- . (a) All appointments to the board shall be made on a nonpartisan basis, with the advice and consent of
the Senate.
- 304 (b) Board members shall serve until their successors are appointed and take the constitutional oath of
office.
- 306 (c) When a vacancy occurs on the board for any reason, the replacement shall be appointed for the
unexpired term.
- 308 (4)
- . (a) Except as required by Subsection (4)(b), all appointed board members shall serve for four-year
terms.
- 310 (b) Notwithstanding the requirements of Subsection (4)(a), the governor shall, at the time of
appointment or reappointment, adjust the length of terms to ensure that the terms of board members
are staggered so that:
- 313 (i) approximately half of the board is appointed every two years; and
- 314 (ii) no more than two of the board members appointed under Subsection (1)(a) are appointed every two
years.
- 316

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(c) A board member who is appointed as a school employee or as a public employee who retires or who is no longer employed with a participating employer shall immediately resign from the board.

319 (5)

(a) Each year the board shall elect a president and vice president from its membership.

320 (b) A board member may not receive compensation or benefits for the board member's service, but may receive per diem and travel expenses in accordance with:

322 (i) Section 63A-3-106;

323 (ii) Section 63A-3-107; and

324 (iii) rules made by the Division of Finance pursuant to Sections 63A-3-106 and 63A-3-107.

380 Section 11. Section **49-11-205** is amended to read:

381 **49-11-205. Membership Council established -- Members -- Chair -- Duties -- Expenses and per diem.**

329 (1) There is established a Membership Council to perform the duties under Subsection (5).

330 (2)

(a) ~~The Membership Council shall be composed of 15 council members[-selected as follows:] .~~

332 (b) The office shall select 11 council members for the Membership Council as follows:

333 [(a)] (i) ~~three council members shall be school employees [selected by the governing board of an association- { } representative of a majority of school employees]~~ who are members of a system administered by the board;

336 [(b)] (ii) ~~one council member shall be a classified school employee [selected by the governing board of the association- { } representative of a majority of classified school employees who are members]~~ who is a member of a system administered by the board;

339 [(c)] (iii) ~~two council members shall be public employees [selected by the governing board of the association- { } representative of a majority of the public employees]~~ who are members of a system administered by the board;

342 (iv) one council member shall be a representative of members of the Public Safety Retirement System;

344 (v) one council member shall be a representative of paid professional firefighters who are members of the Firefighters' Retirement System;

346 (vi) one council member shall be a retiree representing retirees, who are not public education retirees, from the Public Employees' Contributory Retirement System, Public Employees' Noncontributory Retirement System, and New Public Employees' Tier II Contributory Retirement System;

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- 350 (vii) one council member shall be a retiree representing the largest number of public education retirees;
351 {and}
- 354 (viii) one council member shall be a school business official representative of a majority of the school
business officials from public education employers who participate in a system administered by the
board.
- 357 [~~(g) one council member shall be a representative of members of the Public Safety Retirement Systems
selected by the governing board of the association representative of the majority of peace officers
who are members of the Public Safety Retirement Systems;~~]
- 364 [(h) ~~one council member shall be a representative of members of the Firefighters' Retirement System
selected by the governing board of the association representative of the majority of paid professional
firefighters who are members of the Firefighters' Retirement System;~~]
- 369 [(i) ~~one council member shall be a retiree selected by the governing board of the association
representing the largest number of retirees, who are not public education retirees, from the Public
Employees' Contributory, Public Employees' Noncontributory, and New Public Employees' Tier II
Contributory Retirement Systems;~~]
- 373 [(j) ~~one council member shall be a retiree selected by the governing board of the association
representing the largest number of public education retirees;~~]
- 376 [(k) ~~one council member shall be a school business official selected by the governing board of the
association representative of a majority of the school business officials from public education
employers who participate in a system administered by the board; and]~~
- 379 (c) Four members for the Membership Council as follows:
- 380 [(~~4~~) (i) one council member shall be a municipal officer or employee selected by the governing board
of the association representative of a majority of the municipalities who participate in a system
administered by the board;
- 383 [(~~e~~) (ii) one council member shall be a county officer or employee selected by the governing board of
the association representative of a majority of counties who participate in a system administered by
the board;
- 386 [(~~f~~) (iii) one council member shall be a representative of members of the Judges' Noncontributory
Retirement System selected by the Judicial Council; and
- 388

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[~~(H)~~] (iv) one council member shall be a special district officer or employee selected by the governing board of the association representing the largest number of special service districts and special districts who participate in a system administered by the board.

382 (3)

(a) Each entity granted authority to select council members under Subsection (2) may also revoke the selection at any time.

384 (b) Each term on the council shall be for a period of four years, subject to Subsection (3)(a).

386 (c) Each term begins on July 1 and expires on June 30.

387 (d) When a vacancy occurs on the council for any reason, the replacement shall be selected for the remainder of the unexpired term.

389 (4) The council shall annually designate one council member as chair.

390 (5) The council shall:

391 (a) recommend to the board and to the Legislature benefits and policies for members of any system or plan administered by the board;

393 (b) recommend procedures and practices to improve the administration of the systems and plans and the public employee relations responsibilities of the board and office;

395 (c) examine the record of all decisions affecting retirement benefits made by a hearing officer under Section 49-11-613;

397 (d) submit nominations to the board for the position of executive director if that position is vacant;

399 (e) advise and counsel with the board and the director on policies affecting members of the various systems administered by the office; and

401 (f) perform other duties assigned to it by the board.

402 (6) A member of the council may not receive compensation or benefits for the member's service, but may receive per diem and travel expenses in accordance with:

404 (a) Section 63A-3-106;

405 (b) Section 63A-3-107; and

406 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and 63A-3-107.

468 Section 12. Section 12 is enacted to read:

469 **49-11-627. Withdrawing public employees' association -- Participation election date --**
Withdrawal costs -- Rulemaking.

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- (1) As used in this section, "withdrawing entity" means a public employees' association that participates in a system or plan under this title {before} on January 1, 2025.
- 413 (2) Notwithstanding any other provision of this title, a withdrawing entity shall provide for the participation of the withdrawing entity's employees with that system or plan as follows:
- 416 (a) the withdrawing entity shall determine a date that is before July 1, 2027, on which the withdrawing entity shall complete withdrawal under Subsection (3);
- 418 (b) the withdrawing entity shall provide to the office notice of the withdrawing entity's intent to enter into an agreement described in Subsection (2)(c);
- 420 (c) the withdrawing entity and the office shall enter into an intent to withdraw agreement to document a good faith arrangement to complete a withdrawal under this section; and
- 423 (d) subject to Subsection (3), the withdrawing entity shall pay to the office any reasonable actuarial and administrative costs determined by the office, including an actuarially determined short-fall liability contribution and a contingency payment to provide financial protection to the remaining participating employers.
- 427 (3) The withdrawing entity shall:
- 428 (a) continue the withdrawing entity's participation for all of the withdrawing entity's current employees who are covered by a system or plan on the date set under Subsection (2)(a); and
- 431 (b) withdraw from participation in all systems and plans for employees initially entering employment with the withdrawing entity, beginning on the date set under Subsection (2)(a).
- 434 (4) Before a withdrawing entity may withdraw under this section, the withdrawing entity and the office shall enter into an agreement on:
- 436 (a) the costs described under Subsection (2)(d); and
- 437 (b) arrangements for the payment of the costs described under Subsection (2)(d).
- 498 Section 13. Section **49-12-202** is amended to read:
- 499 **49-12-202. Participation of employers -- Limitations -- Exclusions -- Admission requirements -- Exceptions -- Nondiscrimination requirements.**
- 441 (1)
- . (a) Unless excluded under Subsection (2), an employer is a participating employer and may not withdraw from participation in this system.

443

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- (b) In addition to participation in this system, a participating employer may provide or participate in public or private retirement, supplemental or defined contribution plan, either directly or indirectly, for the participating employer's employees.
- 446 (2) The following employers may be excluded from participation in this system:
- 447 (a) an employer not initially admitted or included as a participating employer in this system prior to
January 1, 1982, if:
- 449 (i) the employer elects not to provide or participate in any type of private or public retirement,
supplemental or defined contribution plan, either directly or indirectly, for the employer's
employees, except for Social Security; or
- 452 (ii) the employer offers another collectively bargained retirement benefit and has continued to do so on
an uninterrupted basis since that date;
- 454 (b) an employer that is a charter school authorized under Title 53G, Chapter 5, Part 3, Charter School
Authorization, and does not elect to participate in accordance with Section 53G-5-407;
- 457 (c) an employer that is a hospital created as a special service district under Title 17D, Chapter 1, Special
Service District Act, that makes an election of nonparticipation in accordance with Subsection (4);
or
- 460 (d) an employer that is licensed as a nursing care facility under Title 26B, Chapter 2, Part 2, Health
Care Facility Licensing and Inspection, and created as a special service district under Title 17D,
Chapter 1, Special Service District Act, in a rural area of the state that makes an election of
nonparticipation in accordance with Subsection (4).
- 464 (3)
- . (a) An employer who did not become a participating employer in this system prior to July 1, 1986, may
not participate in this system.
- 466 (b) A public employees' association { that is } may not become a participating employer { on July 1,
2027, may not participate in this system } after January 1, 2025.
- 468 (4)
- . (a)
- . (i) Until June 30, 2009, a employer that is a hospital created as a special service district under Title
17D, Chapter 1, Special Service District Act, may make an election of nonparticipation as an
employer for retirement programs under this chapter.

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(ii) Until June 30, 2014, an employer that is licensed as a nursing care facility under Title 26B, Chapter 2, Part 2, Health Care Facility Licensing and Inspection, and created as a special service district under Title 17D, Chapter 1, Special Service District Act, in a rural area of the state may make an election of nonparticipation as an employer for retirement programs under this chapter.

477 (b) An election provided under Subsection (4)(a):

478 (i) is a one-time election made no later than the time specified under Subsection (4)(a);

479 (ii) shall be documented by a resolution adopted by the governing body of the special service district;

481 (iii) is irrevocable; and

482 (iv) applies to the special service district as the employer and to all employees of the special service district.

484 (c) The governing body of the special service district may offer employee benefit plans for special service district's employees:

486 (i) under Title 49, Chapter 20, Public Employees' Benefit and Insurance Program Act; or

488 (ii) under any other program.

489 (5)

. (a) If a participating employer purchases service credit on behalf of a regular full-time employee for service rendered prior to the participating employer's admission to this system, the participating employer shall:

492 (i) purchase service credit in a nondiscriminatory manner on behalf of all current and former regular full-time employees who were eligible for service credit at the time service was rendered; and

495 (ii) comply with the provisions of Section 49-11-403, except for the requirement described in Subsection 49-11-403(2)(a).

497 (b) For a purchase made under this Subsection (5), an employee is not required to:

498 (i) have at least four years of service credit before the purchase can be made; or

499 (ii) forfeit service credit or any defined contribution balance based on the employer contributions under any other retirement system or plan based on the period of employment for which service credit is being purchased.

562 Section 14. Section **49-13-202** is amended to read:

563 **49-13-202. Participation of employers -- Limitations -- Exclusions -- Admission requirements**
-- Nondiscrimination requirements -- Service credit purchases.

505 (1)

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- . (a) Unless excluded under Subsection (2), an employer is a participating employer and may not withdraw from participation in this system.
- 507 (b) In addition to participation in this system, a participating employer may provide or participate in any additional public or private retirement, supplemental or defined contribution plan, either directly or indirectly, for the participating employer's employees.
- 511 (2) The following employers may be excluded from participation in this system:
- 512 (a) an employer not initially admitted or included as a participating employer in this system before January 1, 1982, if:
- 514 (i) the employer elects not to provide or participate in any type of private or public retirement, supplemental or defined contribution plan, either directly or indirectly, for the employer's employees, except for Social Security; or
- 517 (ii) the employer offers another collectively bargained retirement benefit and has continued to do so on an uninterrupted basis since that date;
- 519 (b) an employer that is a charter school authorized under Title 53G, Chapter 5, Part 3, Charter School Authorization, and does not elect to participate in accordance with Section 53G-5-407;
- 522 (c) an employer that is a hospital created as a special service district under Title 17D, Chapter 1, Special Service District Act, that makes an election of nonparticipation in accordance with Subsection (5);
- 525 (d) an employer that is licensed as a nursing care facility under Title 26B, Chapter 2, Part 2, Health Care Facility Licensing and Inspection, and created as a special service district under Title 17D, Chapter 1, Special Service District Act, in a rural area of the state that makes an election of nonparticipation in accordance with Subsection (5); or
- 529 (e) an employer that is a risk management association initially created by interlocal agreement before 1986 for the purpose of implementing a self-insurance joint protection program for the benefit of member municipalities of the association.
- 532 (3) If an employer that may be excluded under Subsection (2)(a)(i) elects at any time to provide or participate in any type of public or private retirement, supplemental or defined contribution plan, either directly or indirectly, except for Social Security, the employer shall be a participating employer in this system regardless of whether the employer has applied for admission under Subsection (4).
- 537 (4)
- .

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- (a) An employer may, by resolution of the employer's governing body, apply for admission to this system.
- 539 (b) Upon approval of the resolution by the board, the employer is a participating employer in this system and is subject to this title.
- 541 (5)
- . (a)
- . (i) Until June 30, 2009, an employer that is a hospital created as a special service district under Title 17D, Chapter 1, Special Service District Act, may make an election of nonparticipation as an employer for retirement programs under this chapter.
- 545 (ii) Until June 30, 2014, an employer that is licensed as a nursing care facility under Title 26B, Chapter 2, Part 2, Health Care Facility Licensing and Inspection, and created as a special service district under Title 17D, Chapter 1, Special Service District Act, in a rural area of the state may make an election of nonparticipation as an employer for retirement programs under this chapter.
- 550 (iii) On or before July 1, 2010, an employer described in Subsection (2)(e) may make an election of nonparticipation as an employer for retirement programs under this chapter.
- 553 (b) An election provided under Subsection (5)(a):
- 554 (i) is a one-time election made no later than the time specified under Subsection (5)(a);
- 555 (ii) shall be documented by a resolution adopted by the governing body of the employer;
- 557 (iii) is irrevocable; and
- 558 (iv) applies to the employer as described in Subsection (5)(a)(i), (ii), or (iii) and to all employees of that employer.
- 560 (c) The employer making an election under Subsection (5)(a) may offer employee benefit plans for the employer's employees:
- 562 (i) under Title 49, Chapter 20, Public Employees' Benefit and Insurance Program Act; or
- 564 (ii) under any other program.
- 565 (6)
- . (a) If a participating employer purchases service credit on behalf of a regular full-time employee for service rendered prior to the participating employer's admission to this system, the participating employer shall:
- 568 (i) purchase service credit in a nondiscriminatory manner on behalf of all current and former regular full-time employees who were eligible for service credit at the time service was rendered; and

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- 571 (ii) comply with the provisions of Section 49-11-403, except for the requirement described in
Subsection 49-11-403(2)(a).
- 573 (b) For a purchase made under this Subsection (6), an employee is not required to:
- 574 (i) have at least four years of service credit before the purchase can be made; or
- 575 (ii) forfeit service credit or any defined contribution balance based on the employer contributions under
any other retirement system or plan based on the period of employment for which service credit is
being purchased.
- 578 (7) A public employees' association { ~~that is~~ } may not become a participating employer { ~~on July 1,~~
2027, may not participate in this system } after January 1, 2025.
- 640 Section 15. Section **49-22-202** is amended to read:
- 641 **49-22-202. Participation of employers -- Limitations -- Exclusions -- Admission**
requirements.
- 583 (1) Unless excluded under Subsection (2), an employer is a participating employer and may not
withdraw from participation in this system.
- 585 (2) The following employers may be excluded from participation in this system:
- 586 (a) an employer not initially admitted or included as a participating employer in this system before
January 1, 1982, if:
- 588 (i) the employer elects not to provide or participate in any type of private or public retirement,
supplemental or defined contribution plan, either directly or indirectly, for its employees, except for
Social Security; or
- 591 (ii) the employer offers another collectively bargained retirement benefit and has continued to do so on
an uninterrupted basis since that date;
- 593 (b) an employer that is a charter school authorized under Title 53G, Chapter 5, Part 3, Charter School
Authorization, and does not elect to participate in accordance with Section 53G-5-407; or
- 596 (c) an employer that is a risk management association initially created by interlocal agreement before
1986 for the purpose of implementing a self-insurance joint protection program for the benefit of
member municipalities of the association.
- 599 (3) If an employer that may be excluded under Subsection (2)(a)(i) elects at any time to provide
or participate in any type of public or private retirement, supplemental or defined contribution
plan, either directly or indirectly, except for Social Security, the employer shall be a participating

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employer in this system regardless of whether the employer has applied for admission under Subsection (4).

604 (4)

. (a) An employer may, by resolution of its governing body, apply for admission to this system.

606 (b) Upon approval of the resolution by the board, the employer is a participating employer in this system and is subject to this title.

608 (5) If a participating employer purchases service credit on behalf of a regular full-time employee for service rendered prior to the participating employer's admission to this system, the participating employer:

611 (a) shall purchase credit in a nondiscriminatory manner on behalf of all current and former regular full-time employees who were eligible for service credit at the time service was rendered; and

614 (b) shall comply with the provisions of Section 49-11-403.

615 (6) A public employees' association {that is} may not become a participating employer {on July 1, 2027, may not participate in this system} after January 1, 2025.

677 Section 16. Section **63A-4-101.5** is amended to read:

678 **63A-4-101.5. Risk manager -- Appointment -- Duties.**

619 (1)

. [(a)] As used in this section:

620 (a) "K-12 personnel" means a {full-time} public employee of a local education agency.

621 (b) "Local education agency" means the same as that term is defined in Section 53E-1-102.

623 (2)

. (a) There is created within the department the Division of Risk Management.

624 (b) The executive director shall, with the approval of the governor, appoint a risk manager as the division director, who shall be qualified by education and experience in the management of general property and casualty insurance.

627 [(2)] (3) The risk manager shall:

628 (a) except as provided in Subsection [(4)] (5), acquire and administer the following purchased by the state or any captive insurance company created by the risk manager:

630 (i) all property and casualty insurance;

631 (ii)

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- (A) professional liability insurance ~~{ that covers employment disputes between a K-12 personnel and the }~~ for K-12 personnel { employer } ; and
- 633 (B) ~~{ explore the feasibility of providing }~~ other professional liability insurance for ~~{ a }~~ public ~~{ employee }~~ employees not covered under Subsection ~~{ (3)(a)(i)(A) }~~ (3)(a)(ii)(A) if the risk manager determines there is sufficient demand;
- 635 [(ii)] (iii) reinsurance of property~~[-and] , { }~~ casualty insurance, and professional liability insurance;
and
- 637 [(iii)] (iv) subject to Section 34A-2-203, workers' compensation insurance;
- 638 [(b)]
- 639 (b) make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act:
- 641 (i) prescribing reasonable and objective underwriting and risk control standards for:
- 642 (A) all covered entities of the Risk Management Fund; ~~[and]~~
- 643 (B) management ~~{ and allocation }~~ of the professional liability insurance ~~{ premiums }~~ described in Subsection (3)(a)(ii); and
- 645 ~~[(B)]~~ (C) any captive insurance company created by the risk manager;
- 646 (ii) prescribing the risks to be covered by the Risk Management Fund and the extent to which these risks will be covered;
- 648 (iii) prescribing the properties, risks, deductibles, and amount limits eligible for payment out of the Risk Management Fund;
- 650 (iv) prescribing procedures for making claims and proof of loss; and
- 651 (v) establishing procedures for the resolution of disputes relating to coverage or claims, which may include binding arbitration;
- 653 (c) implement a risk management and loss prevention program for covered entities for the purpose of reducing risks, accidents, and losses to assist covered entities in fulfilling their responsibilities for risk control and safety;
- 656 (d) coordinate and cooperate with any covered entity having responsibility to manage and protect state properties, including:
- 658 (i) the state fire marshal;
- 659 (ii) the director of the Division of Facilities Construction and Management;
- 660 (iii) the Department of Public Safety;
- 661 (iv) institutions of higher education;

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- 662 (v) school districts; and
663 (vi) charter schools;
664 (e) maintain records necessary to fulfill the requirements of this section;
665 (f) manage the Risk Management Fund and any captive insurance company created by the risk manager
in accordance with economically and actuarially sound principles to produce adequate reserves
for the payment of contingencies, including unpaid and unreported claims, and may purchase any
insurance or reinsurance considered necessary to accomplish this objective; and
670 (g) inform the covered entity's governing body and the governor when any covered entity fails or
refuses to comply with reasonable risk control recommendations made by the risk manager.
673 ~~[(3)]~~ (4) Before the effective date of any rule, the risk manager shall provide a copy of the rule to each
covered entity affected by it.
675 ~~[(4)]~~ (5) The risk manager may not use a captive insurance company created by the risk manager to
purchase:
677 (a) workers' compensation insurance;
678 (b) health insurance; or
679 (c) life insurance.

740 Section 17. **Repealer.**

This Bill Repeals:

- 741 This bill repeals:
742 Section **34-20a-1, Title.**
743 Section **34-20a-2, Definitions.**
744 Section **34-20a-3, Fire fighters' right to bargain collectively.**
745 Section **34-20a-4, Exclusive bargaining representative -- Selection -- Exclusions from**
746 **negotiating team.**
747 Section **34-20a-5, Corporate authority duty -- Collective bargaining agreement --**
748 **No-strike clause.**
749 Section **34-20a-6, Notice of request for collective bargaining -- Time.**
750 Section **34-20a-7, Arbitration.**
751 Section **34-20a-8, Procedure for arbitration.**
752 Section **34-20a-9, Board of arbitration -- Determination -- Final and binding -- Exception**
753 **-- Expense.**

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754 Section 18. **Effective date.**

This bill takes effect on July 1, 2025.

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