

HB0267S04 compared with HB0267S03

~~{Omitted text}~~ shows text that was in HB0267S03 but was omitted in HB0267S04
inserted text shows text that was not in HB0267S03 but was inserted into HB0267S04

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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 employee, public safety, and public fire labor organizations.

Highlighted Provisions:

This bill:

- defines terms;
- requires a labor organization for which a public employer collects union dues to provide an annual accounting to the labor organization members and to the Labor Commission;
- prohibits a public employer from recognizing a labor organization as a bargaining agent for public employees;
- ~~{requires}~~ prohibits a ~~{collective bargaining representative to be certified by the}~~ public ~~{employees the}~~ employer from entering into collective bargaining ~~{representative would represent}~~ contracts;
- ~~{requires a collective bargaining unit to conduct an election to recertify the collective bargaining representative every five years;}~~

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- 16 ▶ {~~provides the terms of the contract if a collective bargaining unit does not recertify the~~
17 ~~labor organization;~~}
- 18 ▶ prohibits using public money or public property to assist, promote, or deter union organizing or
administration;
- 20 ▶ excludes new labor organization employees from participating in Utah Retirement Systems;
- 22 ▶ authorizes the state risk manager to acquire and administer professional liability insurance for:
- 24 • K-12 personnel; and
- 25 • other public employees if there is a sufficient demand; and
- 26 ▶ makes technical and conforming changes.

24 Money Appropriated in this Bill:

25 None

26 This bill provides a special effective date.

29 AMENDS:

30 **10-3-1109** , as enacted by Laws of Utah 2003, Chapter 284 , as enacted by Laws of Utah 2003,
Chapter 284

31 **17-33-11.5** , as enacted by Laws of Utah 2003, Chapter 284 , as enacted by Laws of Utah 2003,
Chapter 284

32 **17B-1-804** , as last amended by Laws of Utah 2023, Chapter 15 , as last amended by Laws of Utah
2023, Chapter 15

33 **34-34-16** , as enacted by Laws of Utah 1969, Chapter 85 , as enacted by Laws of Utah 1969,
Chapter 85

34 **49-11-202** , as last amended by Laws of Utah 2020, Chapter 352 , as last amended by Laws of Utah
2020, Chapter 352

35 **49-11-205** , as last amended by Laws of Utah 2023, Chapter 16 , as last amended by Laws of Utah
2023, Chapter 16

36 **49-12-202** , as last amended by Laws of Utah 2023, Chapter 328 , as last amended by Laws of Utah
2023, Chapter 328

37 **49-13-202** , as last amended by Laws of Utah 2023, Chapter 328 , as last amended by Laws of Utah
2023, Chapter 328

38 **49-22-202** , as last amended by Laws of Utah 2018, Chapter 415 , as last amended by Laws of Utah
2018, Chapter 415

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39 **63A-4-101.5** , as last amended by Laws of Utah 2022, Chapter 169 , as last amended by Laws of
Utah 2022, Chapter 169

40 ENACTS:

41 **34-32-202** , Utah Code Annotated 1953 , Utah Code Annotated 1953

42 **49-11-627** , Utah Code Annotated 1953 , Utah Code Annotated 1953

43 RENUMBERS AND AMENDS:

44 **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)

46 **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)

48 **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)

49 **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)

51 **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)

53 REPEALS:

54 **34-20a-1** , as last amended by Laws of Utah 1995, Chapter 20 , as last amended by Laws of Utah
1995, Chapter 20

55 **34-20a-2** , as last amended by Laws of Utah 1995, Chapter 20 , as last amended by Laws of Utah
1995, Chapter 20

56 **34-20a-3** , as enacted by Laws of Utah 1975, Chapter 102 , as enacted by Laws of Utah 1975,
Chapter 102

57 **34-20a-4** , as enacted by Laws of Utah 1975, Chapter 102 , as enacted by Laws of Utah 1975,
Chapter 102

58 **34-20a-5** , as enacted by Laws of Utah 1975, Chapter 102 , as enacted by Laws of Utah 1975,
Chapter 102

59 **34-20a-6** , as last amended by Laws of Utah 1995, Chapter 20 , as last amended by Laws of Utah
1995, Chapter 20

60 **34-20a-7** , as enacted by Laws of Utah 1975, Chapter 102 , as enacted by Laws of Utah 1975,
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61 **34-20a-8** , as enacted by Laws of Utah 1975, Chapter 102 , as enacted by Laws of Utah 1975,
Chapter 102

62 **34-20a-9** , as enacted by Laws of Utah 1975, Chapter 102 , as enacted by Laws of Utah 1975,
Chapter 102

63

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

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

66 **10-3-1109. Compliance with Labor Code requirements.**

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

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

69 **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.

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

72 **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.

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

79

CHAPTER 32. PUBLIC SECTOR LABOR ORGANIZATIONS

80

Part 1. General Provisions

78 [~~34-32-1~~] **34-32-101. Definitions.**

82 [(1)] As used in this [~~chapter~~] [section] chapter {[:]}

83 [(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.]

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

87 [(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.]

92 [(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.]

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- 95 [(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.]
- 98 [(d) "Union dues" means dues, fees, money, or other assessments required as a condition of
membership or participation in a labor organization.]
- 100 [(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.]
- 103 [(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.]
- 107 [(4) An employee's request that an employer cease making deductions may not be conditioned upon a
labor organization's:]
- 109 [(a) receipt of advance notice of the request; or]
- 110 [(b) prior consent to cessation of the deductions.]
- 111 [(5) A labor organization is not liable for any claim, service, or benefit that is:]
- 112 [(a) available only to a member of the labor organization; and]
- 113 [(b) terminated as a result of an employee's request that the employer cease making deductions for
union dues.]
- 115 [(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.]
- 118 [(7) An employee may not waive a provision of this section.]
- 119 (1) "Class" means a group of public employees not represented by a labor organization for purposes of
collective bargaining.
- 121 ~~{(2) {"Collective bargaining representative" means a labor organization that may engage in collective
bargaining on a collective bargaining unit's behalf.}}~~
- 123 ~~{(3)}~~ (2) "Collective bargaining unit" means a group of public employees:
- 124 (a) represented by a single labor organization for purposes of collective bargaining; and
- 125 (b) that consists of members and not members.
- 126 ~~{(4)}~~ (3)

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- . (a) "Labor organization" means a formal organization of any kind that:
- 127 (i) is independent of the public employer; and
- 128 (ii) exists for the purpose, in whole or in part, of dealing with public employers concerning
grievances, labor disputes, wages, rates of pay, hours of employment, or other terms and
conditions of employment.
- 131 (b) Except as provided in Subsection (4)(c), "labor organization" includes:
- 132 (i) a labor union, an employee council, or a worker committee; and
- 133 (ii) an employee association or a union for employees of both public sector and private sector
employers.
- 135 (c) "Labor organization" does not include:
- 136 (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
- 138 (ii) an organization that performs a public employer's internal functions, such as human resources
or legal services, whether performed directly by the public employer or through a third-party
contractor.
- 141 ~~{(5)}~~ (4) "Member" means a public employee who is a member of a labor organization.
- 142 ~~{(6)}~~ (5) "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.
- 146 ~~{(7)}~~ (6) "Public employee" means an individual employed by a public employer.
- 147 ~~{(8)}~~ (7) "Public employer" means an employer that is:
- 148 (a) the state of Utah or any administrative subunit of the state;
- 149 (b) a state institution of higher education; or
- 150 (c) a county, a municipality, a school district, a charter school, a special district, a special service
district, or any other political subdivision of the state.
- 152 ~~{(9)}~~ (8) "Public money" means the same as that term is defined in Section 76-1-101.5.
- 153 ~~{(10)}~~ (9)
- . (a) "Public property" means real property, personal property, or intellectual property that is owned,
held, or managed by a public employer.
- 155 (b) "Public property" includes a website, computer program, record, or data that is owned, held, or
managed by a public employer.

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- 157 ~~{(11)}~~ (10) "Representative" means a labor organization representative.
- 158 ~~{(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.}}~~
}
- 161 ~~{(13)}~~ (11)
- . (a) "Union activity" means an activity that a labor organization, a member, or a representative performs that relates to:
- 163 (i) advocating the general interests of members in wages, benefits, or terms and conditions of employment;
- 165 (ii) enforcing the labor organization's internal policies and procedures;
- 166 (iii) fulfilling the labor organization's obligations; or
- 167 (iv) advancing the labor organization's external relations.
- 168 (b) "Union activity" does not include:
- 169 (i) advocating for a public employee in a specific employment dispute; or
- 170 (ii) performing a public employer's internal functions, such as human resources or legal services, whether performed directly by the public employer or through a third-party contractor.
- 173 ~~{(14)}~~ (12) "Union dues" means dues, fees, assessments, or other money required as a condition of membership or participation in a labor organization.
- 167 Section 5. Section ~~34-32-102~~ is renumbered and amended to read:
- 169 ~~[34-32-1.1]~~ **34-32-102. Prohibiting public employers from making payroll deductions for political purposes -- {Recertification requirements for} Prohibiting public {employee} employers from collective bargaining {organizations} -- Prohibiting the use of public money or public property for union activity.**
- 181 [(1) As used in this section:]
- 182 [(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.]~~
- 187 [(ii) ~~Except as provided in Subsection (1)(a)(iii), "labor organization" includes each employee association and union for public employees.]~~

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- 189 [(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.]
- 192 [(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.]
- 196 [(c) "Public employee" means a person employed by:]
- 197 [(i) the state of Utah or any administrative subunit of the state;]
- 198 [(ii) a state institution of higher education; or]
- 199 [(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.]
- 201 [(d) "Public employer" means an employer that is:]
- 202 [(i) the state of Utah or any administrative subunit of the state;]
- 203 [(ii) a state institution of higher education; or]
- 204 [(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.]
- 206 [(e) "Union dues" means dues, fees, assessments, or other money required as a condition of membership
or participation in a labor organization.]
- 208 [(2)] (1) A public employer may not deduct from the wages of [its] the public employer's public
employees any amounts to be paid to:
- 210 (a) a candidate as defined in Section 20A-11-101;
- 211 (b) a personal campaign committee as defined in Section 20A-11-101;
- 212 (c) a political action committee as defined in Section 20A-11-101;
- 213 (d) a political issues committee as defined in Section 20A-11-101;
- 214 (e) a registered political party as defined in Section 20A-11-101;
- 215 (f) a political fund as defined in Section 20A-11-1402; or
- 216 (g) any entity established by a labor organization to solicit, collect, or distribute money primarily for
political purposes as defined in this chapter.
- 218 (2)
- . {(a) {Beginning January 1, 2026, a class that seeks to collectively bargain shall have a collective
bargaining representative, at the collective bargaining representative's expense, engage a third-party

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election facilitator to conduct a secret ballot election to determine whether the majority of the public employees in the class are in favor of authorizing the collective bargaining representative.}

223 ~~{(b) }~~

~~{(i) {If a majority of all the public employees in the class, that are eligible to vote on a collective bargaining representative, votes in favor of authorizing the collective bargaining representative, the collective bargaining representative is certified to represent the class, making the class a collective bargaining unit.}}~~

227 ~~{(ii) {If fewer than a majority of all the public employees in the class, that are eligible to vote on a collective bargaining representative, vote in favor of authorizing the collective bargaining representative, the class remains unrepresented by a collective bargaining representative.}}~~

231 ~~{(3) }~~

~~{(a) {Beginning January 1, 2026, and except as provided in Subsection (7), any collective bargaining unit with a current collective bargaining agreement in place before January 1, 2026, shall conduct a recertification process as described in this Subsection (3).}}~~

235 ~~{(b) }~~

~~{(i) {The collective bargaining representative shall engage, at the collective bargaining representative's expense, a third-party election facilitator to conduct a secret ballot election to determine whether a majority of the collective bargaining unit is in favor of recertifying the collective bargaining representative.}}~~

239 ~~{(ii) {The third-party election facilitator shall complete the election no later than December 1.}}~~

241 ~~{(c) }~~

~~{(i) (a) {If} Notwithstanding Section 34-19-1, a {majority of all the} public {employees in the collective bargaining unit, who are eligible to vote on a collective} employer may not recognize a labor organization as a bargaining {representative vote in favor} agent of {certifying the} public employees or collectively bargain or enter into any collective bargaining {representative, the collective bargaining} contract with a labor organization or a representative {may continue representing the collective bargaining unit}.~~

245 ~~{(ii) {If fewer than a majority of all the public employees in the collective bargaining unit, who are eligible to vote on a collective bargaining representative vote in favor of certifying the collective bargaining representative, the collective bargaining unit certification is terminated leaving an unrepresented class.}}~~

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- 249 ~~{(4)}~~ (b)
 . ~~{(a) {For collective bargaining agreements entered into before July 1, 2025, if certification is terminated, the terms of any pre-existing contract between the collective bargaining representative and the public employer shall remain in effect for the contract term.}}~~
- 253 ~~{(b) {For collective bargaining agreements entered into on or after July 1, 2025, if certification is terminated, the terms of any pre-existing contract between the collective bargaining representative and the public employer shall remain in effect for the contract term except for any provisions involving the collective bargaining representative, including:}}~~
- 258 ~~{(i) {union security;}}~~
- 259 ~~{(ii) {dues and fees; and}}~~
- 260 ~~{(iii) {grievance and arbitration.}}~~
- 261 ~~{(5) {A collective bargaining unit that is certified shall recertify the collective bargaining representative at least every five years.}}~~
- 263 ~~{(6) {A class that votes against recertifying an existing collective bargaining representative may not conduct another collective bargaining representative secret ballot election for the same collective bargaining representative or an affiliated collective bargaining representative for 12 months after the day on which the collective bargaining representative's representation ends.}}~~
- 268 ~~{(7)}~~ (i) For a public employer with a collective bargaining agreement in effect on July 1, 2025, Subsection ~~{(3)}~~ (2)(a) applies on the day on which the collective bargaining agreement expires{; renews, or is amended} .
- 271 ~~{(8) {The Labor Commission shall make rules governing engaging a third-party election facilitator and the secret ballot election in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.}}~~
- 216 (ii) A public employer may not enter into a new collective bargaining agreement or renew, extend, or modify an existing collective bargaining agreement.
- 274 ~~{(9)}~~ (3)
 . (a) A public employer may not use public money or access public property to:
- 275 (i) assist or support union activity;
- 276 (ii) compensate a public employee or a third party for union activity; or
- 277 (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.

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- 280 (b)
- . (i) A public employer may allow a labor organization access to the public property that is real property in accordance with the public employer's policies for third-party organizations.
- 283 (ii) A public employer shall maintain a written policy for access to public property that is real property by a third-party organization.
- 285 ~~{(10)}~~ (4) A labor organization, member, or representative may not receive public money or use public property in a manner that violates Subsection ~~{(9)}~~ (3).
- 287 ~~{(11)}~~ (5) Nothing in Subsection ~~{(9)}~~ (3) or ~~{(10)}~~ (4) prohibits:
- 288 (a) a public employer from:
- 289 (i) spending public money or using public property for performing an activity required by federal law or state law; or
- 291 (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;
- 295 (b) a labor organization or a representative from accessing public property that is real property:
- 297 (i) in the same manner and to the same extent as the public employer allows access to any other external individual or entity; or
- 299 (ii) if the real property is not accessible to the public:
- 300 (A) at the public employer's discretion; and
- 301 (B) in accordance with the public employer's policy;
- 302 (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
- 305 (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.
- 308 ~~{(12) {Nothing in this section requires a public employer to engage in collective bargaining.}}~~
- 309 ~~[(3) The attorney general may bring an action to require a public employer to comply with the requirements of this section.]~~

254 Section 6. Section **34-32-201** is renumbered and amended to read:

313

Part 2. Assignments

257 ~~[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

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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.

265 Section 7. Section 7 is enacted to read:

266 **34-32-202. Assignments to labor organizations -- Effect -- Reporting requirement.**

325 (1)

. (a) A public employee may direct 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.

328 (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.

330 (2) A public employer shall promptly commence or stop making deductions for union dues from the wages of 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.

334 (3) A public employee's request that a public employer stop making deductions may not be conditioned upon a labor organization's:

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

337 (b) consent to stop the deductions.

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

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

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

342 (5)

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

344 (b) A person may not place a restriction on the time that a public employee may join or terminate participation with a labor organization.

346 (6) A public employee may not waive a provision of this section.

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347 ~~{(7) {Beginning July 1, 2027, on July 1 of each year, a labor organization that receives union dues from~~
~~a public employee through payroll deduction shall report to the labor organization's members and to~~
~~the Labor Commission for the preceding calendar year.}}~~

350 ~~{(a)}~~ (7) Beginning July 1, 2027, on July 1 of each year, a labor organization that receives union dues
from a public employee through payroll deduction shall report to the labor organization's members
and to the Labor Commission for the preceding calendar year, the amount the labor organization
spent on:

351 ~~{(i)}~~ (a) representation of members in disputes;

352 ~~{(ii)}~~ (b) lobbying;

353 ~~{(iii)}~~ (c) political donations and other political activities; and

354 ~~{(iv)}~~ ~~{collective bargaining unit expenses; and}~~

355 ~~{(v)}~~ (d) payments, dues, and contributions to affiliate or umbrella organizations ~~{;and}~~.

356 ~~{(b)}~~ ~~{the number of members in the labor organization.}~~

357 (8) Nothing in this section provides public employees a right to collective bargaining.

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

360

Part 3. Enforcement

302 ~~[34-32-3]~~ **34-32-301. Failure to comply -- Penalty -- Attorney general to enforce.**

362 (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.

364 (2) The attorney general may bring a civil action to require compliance with a provision of this chapter.

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

368

Part 4. Exceptions

310 ~~[34-32-4]~~ **34-32-401. Exceptions from chapter.**

370 (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.

373 (2) Nothing in this chapter is intended to, or may be construed to, preempt any requirement of federal
law.

316 Section 10. Section **34-34-16** is amended to read:

317 **34-34-16. Right to bargain collectively not denied.**

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Nothing in this chapter shall be construed to deny the right of private employees to bargain collectively with their employer by and through labor unions, labor organizations or any other type of associations.

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

322 **49-11-202. Establishment of Utah State Retirement Board -- Quorum -- Terms -- Officers -- Expenses and per diem.**

383 (1) There is established the Utah State Retirement Board composed of seven board members determined as follows:

385 (a) [~~Four~~] four board members, with experience in investments or banking, shall be appointed by the governor from the general public[-] ;

387 (b) [~~One~~] one board member shall be a school employee appointed by the governor[~~from at least three nominations submitted by the 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.~~] ;

391 (c) [~~One~~] one board member shall be a public employee appointed by the governor[~~from at least three nominations submitted by 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.~~] ; and

395 (d) [~~One~~] one board member shall be the state treasurer.

396 (2) Four board members constitute a quorum for the transaction of business.

397 (3)

. (a) All appointments to the board shall be made on a nonpartisan basis, with the advice and consent of the Senate.

399 (b) Board members shall serve until their successors are appointed and take the constitutional oath of office.

401 (c) When a vacancy occurs on the board for any reason, the replacement shall be appointed for the unexpired term.

403 (4)

. (a) Except as required by Subsection (4)(b), all appointed board members shall serve for four-year terms.

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(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:

408 (i) approximately half of the board is appointed every two years; and

409 (ii) no more than two of the board members appointed under Subsection (1)(a) are appointed every two years.

411 (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.

414 (5)

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

415 (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:

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

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

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

362 Section 12. Section **49-11-205** is amended to read:

363 **49-11-205. Membership Council established -- Members -- Chair -- Duties -- Expenses and per diem.**

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

425 (2)

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

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

428 ~~[(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;

431 ~~[(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;

435 ~~[(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;

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- 438 (iv) one council member shall be a representative of members of the Public Safety Retirement System;
440 (v) one council member shall be a representative of paid professional firefighters who are members of
the Firefighters' Retirement System;
- 442 (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;
- 446 (vii) one council member shall be a retiree representing the largest number of public education retirees;
and
- 448 (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.
- 451 [~~(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;]~~
- 455 [~~(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;]~~
- 459 [~~(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;]~~
- 464 [~~(j) one council member shall be a retiree selected by the governing board of the association~~
~~representing the largest number of public education retirees;]~~
- 466 [~~(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]~~
- 470 (c) Four members for the Membership Council are as follows:
- 471 [~~(d)~~] (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;

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- [~~(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;
- 477 [~~(f)~~] (iii) one council member shall be a representative of members of the Judges' Noncontributory Retirement System selected by the Judicial Council; and
- 479 [(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.
- 483 (3)
- . (a) Each entity granted authority to select council members under Subsection (2) may also revoke the selection at any time.
- 485 (b) Each term on the council shall be for a period of four years, subject to Subsection (3)(a).
- 487 (c) Each term begins on July 1 and expires on June 30.
- 488 (d) When a vacancy occurs on the council for any reason, the replacement shall be selected for the remainder of the unexpired term.
- 490 (4) The council shall annually designate one council member as chair.
- 491 (5) The council shall:
- 492 (a) recommend to the board and to the Legislature benefits and policies for members of any system or plan administered by the board;
- 494 (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;
- 496 (c) examine the record of all decisions affecting retirement benefits made by a hearing officer under Section 49-11-613;
- 498 (d) submit nominations to the board for the position of executive director if that position is vacant;
- 500 (e) advise and counsel with the board and the director on policies affecting members of the various systems administered by the office; and
- 502 (f) perform other duties assigned to it by the board.
- 503 (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:
- 505 (a) Section 63A-3-106;
- 506 (b) Section 63A-3-107; and

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

450 Section 13. Section 13 is enacted to read:

451 **49-11-627. Withdrawing public employees' association -- Participation election date --**
Withdrawal costs -- Rulemaking.

512 (1) As used in this section, "withdrawing entity" means a public employees' association that participates
in a system or plan under this title on January 1, 2025.

514 (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:

517 (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);

519 (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);

521 (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

524 (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.

528 (3) The withdrawing entity shall:

529 (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

532 (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).

535 (4) Before a withdrawing entity may withdraw under this section, the withdrawing entity and the office
shall enter into an agreement on:

537 (a) the costs described under Subsection (2)(d); and

538 (b) arrangements for the payment of the costs described under Subsection (2)(d).

480 Section 14. Section 49-12-202 is amended to read:

481 **49-12-202. Participation of employers -- Limitations -- Exclusions -- Admission requirements**
-- Exceptions -- Nondiscrimination requirements.

542 (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.
- 544 (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.
- 547 (2) The following employers may be excluded from participation in this system:
- 548 (a) an employer not initially admitted or included as a participating employer in this system prior to January 1, 1982, if:
- 550 (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
- 553 (ii) the employer offers another collectively bargained retirement benefit and has continued to do so on an uninterrupted basis since that date;
- 555 (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;
- 558 (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
- 561 (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).
- 565 (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.
- 567 (b) A public employees' association may not become a participating employer after January 1, 2025.
- 569 (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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- 573 (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.
- 578 (b) An election provided under Subsection (4)(a):
- 579 (i) is a one-time election made no later than the time specified under Subsection (4)(a);
- 580 (ii) shall be documented by a resolution adopted by the governing body of the special service district;
- 582 (iii) is irrevocable; and
- 583 (iv) applies to the special service district as the employer and to all employees of the special service
district.
- 585 (c) The governing body of the special service district may offer employee benefit plans for special
service district's employees:
- 587 (i) under ~~[Title 49, Chapter 20, Public Employees' Benefit and Insurance Program Act]~~ Chapter 20,
Public Employees' Benefit and Insurance Program Act; or
- 589 (ii) under any other program.
- 590 (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:
- 593 (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
- 596 (ii) comply with the provisions of Section 49-11-403, except for the requirement described in
Subsection 49-11-403(2)(a).
- 598 (b) For a purchase made under this Subsection (5), an employee is not required to:
- 599 (i) have at least four years of service credit before the purchase can be made; or
- 600 (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.
- 544 Section 15. Section **49-13-202** is amended to read:
- 545 **49-13-202. Participation of employers -- Limitations -- Exclusions -- Admission requirements**
-- Nondiscrimination requirements -- Service credit purchases.

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- 606 (1)
- . (a) Unless excluded under Subsection (2), an employer is a participating employer and may not withdraw from participation in this system.
- 608 (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.
- 612 (2) The following employers may be excluded from participation in this system:
- 613 (a) an employer not initially admitted or included as a participating employer in this system before January 1, 1982, if:
- 615 (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
- 618 (ii) the employer offers another collectively bargained retirement benefit and has continued to do so on an uninterrupted basis since that date;
- 620 (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;
- 623 (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);
- 626 (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
- 630 (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.
- 633 (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).
- 638 (4)

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- . (a) An employer may, by resolution of the employer's governing body, apply for admission to this system.
- 640 (b) Upon approval of the resolution by the board, the employer is a participating employer in this system and is subject to this title.
- 642 (5)
- . (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.
- 646 (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.
- 651 (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.
- 654 (b) An election provided under Subsection (5)(a):
- 655 (i) is a one-time election made no later than the time specified under Subsection (5)(a);
- 656 (ii) shall be documented by a resolution adopted by the governing body of the employer;
- 658 (iii) is irrevocable; and
- 659 (iv) applies to the employer as described in Subsection (5)(a)(i), (ii), or (iii) and to all employees of that employer.
- 661 (c) The employer making an election under Subsection (5)(a) may offer employee benefit plans for the employer's employees:
- 663 (i) under ~~[Title 49, Chapter 20, Public Employees' Benefit and Insurance Program Act]~~ Chapter 20, Public Employees' Benefit and Insurance Program Act; or
- 665 (ii) under any other program.
- 666 (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:

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- (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
- 672 (ii) comply with the provisions of Section 49-11-403, except for the requirement described in Subsection 49-11-403(2)(a).
- 674 (b) For a purchase made under this Subsection (6), an employee is not required to:
- 675 (i) have at least four years of service credit before the purchase can be made; or
- 676 (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.
- 679 (7) A public employees' association may not become a participating employer after January 1, 2025.
- 622 Section 16. Section **49-22-202** is amended to read:
- 623 **49-22-202. Participation of employers -- Limitations -- Exclusions -- Admission requirements.**
- 684 (1) Unless excluded under Subsection (2), an employer is a participating employer and may not withdraw from participation in this system.
- 686 (2) The following employers may be excluded from participation in this system:
- 687 (a) an employer not initially admitted or included as a participating employer in this system before January 1, 1982, if:
- 689 (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
- 692 (ii) the employer offers another collectively bargained retirement benefit and has continued to do so on an uninterrupted basis since that date;
- 694 (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
- 697 (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.
- 700 (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).

705 (4)

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

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

709 (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:

712 (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

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

716 (6) A public employees' association may not become a participating employer after January 1, 2025.

659 Section 17. Section **63A-4-101.5** is amended to read:

660 **63A-4-101.5. Risk manager -- Appointment -- Duties.**

720 (1)

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

721 (a) "K-12 personnel" means a public employee of a local education agency.

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

724 (2)

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

725 (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.

728 [(2)] (3) The risk manager shall:

729 (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:

731 (i) all property and casualty insurance;

732 (ii)

. (A) professional liability insurance for K-12 personnel; and

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- (B) other professional liability insurance for public employees not covered under Subsection (3)(a)(ii)
(A) if the risk manager determines there is sufficient demand;
- 736 ~~[(ii)]~~ (iii) reinsurance of property~~{f and{f} }~~ casualty insurance, ~~{and}~~ professional liability
insurance; and
- 738 ~~[(iii)]~~ (iv) subject to Section 34A-2-203, workers' compensation insurance;
- 739 ~~{(b){f}}~~
- 740 ~~{(b)}~~ make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act:
- 742 (i) prescribing reasonable and objective underwriting and risk control standards for:
- 743 (A) all covered entities of the Risk Management Fund;~~and]~~
- 744 (B) management of the professional liability insurance described in Subsection (3)(a)(ii); and
- 746 ~~[(B)]~~ (C) any captive insurance company created by the risk manager;
- 747 (ii) prescribing the risks to be covered by the Risk Management Fund and the extent to which these
risks will be covered;
- 749 (iii) prescribing the properties, risks, deductibles, and amount limits eligible for payment out of the Risk
Management Fund;
- 751 (iv) prescribing procedures for making claims and proof of loss; and
- 752 (v) establishing procedures for the resolution of disputes relating to coverage or claims, which may
include binding arbitration;
- 754 (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;
- 757 (d) coordinate and cooperate with any covered entity having responsibility to manage and protect state
properties, including:
- 759 (i) the state fire marshal;
- 760 (ii) the director of the Division of Facilities Construction and Management;
- 761 (iii) the Department of Public Safety;
- 762 (iv) institutions of higher education;
- 763 (v) school districts; and
- 764 (vi) charter schools;
- 765 (e) maintain records necessary to fulfill the requirements of this section;
- 766

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- (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
- 771 (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.
- 774 [~~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.
- 776 [~~4~~] (5) The risk manager may not use a captive insurance company created by the risk manager to
purchase:
- 778 (a) workers' compensation insurance;
- 779 (b) health insurance; or
- 780 (c) life insurance.

721 Section 18. **Repealer.**

This Bill Repeals:

- 722 This bill repeals:
- 723 Section **34-20a-1, Title.**
- 724 Section **34-20a-2, Definitions.**
- 725 Section **34-20a-3, Fire fighters' right to bargain collectively.**
- 726 Section **34-20a-4, Exclusive bargaining representative -- Selection -- Exclusions from**
727 **negotiating team.**
- 728 Section **34-20a-5, Corporate authority duty -- Collective bargaining agreement --**
729 **No-strike clause.**
- 730 Section **34-20a-6, Notice of request for collective bargaining -- Time.**
- 731 Section **34-20a-7, Arbitration.**
- 732 Section **34-20a-8, Procedure for arbitration.**
- 733 Section **34-20a-9, Board of arbitration -- Determination -- Final and binding -- Exception**
734 **-- Expense.**
- 735 Section 19. **Effective date.**

This bill takes effect on July 1, 2025.

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