

**Public Sector Labor Union Amendments**

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jordan D. Teuscher**

Senate Sponsor: Kirk A. Cullimore

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**LONG TITLE****General Description:**

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

**Highlighted Provisions:**

This bill:

▸ defines terms;

▸ requires a labor union to provide annual accounting to the labor union members and to the Labor Commission;

▸ prohibits a public employer from recognizing a labor organization as a bargaining agent for public employees;

▸ 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 from participating in Utah Retirement Systems;

▸ authorizes the state risk manager to acquire and administer professional liability insurance for disputes between a K-12 personnel and a public employer; and

▸ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

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

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

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

30 **49-11-202**, as last amended by Laws of Utah 2020, Chapter 352  
 31 **49-11-205**, as last amended by Laws of Utah 2023, Chapter 16  
 32 **49-12-202**, as last amended by Laws of Utah 2023, Chapter 328  
 33 **49-13-202**, as last amended by Laws of Utah 2023, Chapter 328  
 34 **49-22-202**, as last amended by Laws of Utah 2018, Chapter 415  
 35 **63A-4-101.5**, as last amended by Laws of Utah 2022, Chapter 169

36 ENACTS:

37 **34-32-202**, Utah Code Annotated 1953  
 38 **49-11-627**, Utah Code Annotated 1953

39 RENUMBERS AND AMENDS:

40 **34-32-101**, (Renumbered from 34-32-1, as last amended by Laws of Utah 2011, Chapter  
 41 220)  
 42 **34-32-102**, (Renumbered from 34-32-1.1, as last amended by Laws of Utah 2023,  
 43 Chapter 16)  
 44 **34-32-201**, (Renumbered from 34-32-2, as enacted by Laws of Utah 1969, Chapter 85)  
 45 **34-32-301**, (Renumbered from 34-32-3, as last amended by Laws of Utah 2018, Chapter  
 46 148)  
 47 **34-32-401**, (Renumbered from 34-32-4, as last amended by Laws of Utah 2011, Chapter  
 48 297)

49 REPEALS:

50 **34-20a-1**, as last amended by Laws of Utah 1995, Chapter 20  
 51 **34-20a-2**, as last amended by Laws of Utah 1995, Chapter 20  
 52 **34-20a-3**, as enacted by Laws of Utah 1975, Chapter 102  
 53 **34-20a-4**, as enacted by Laws of Utah 1975, Chapter 102  
 54 **34-20a-5**, as enacted by Laws of Utah 1975, Chapter 102  
 55 **34-20a-6**, as last amended by Laws of Utah 1995, Chapter 20  
 56 **34-20a-7**, as enacted by Laws of Utah 1975, Chapter 102  
 57 **34-20a-8**, as enacted by Laws of Utah 1975, Chapter 102  
 58 **34-20a-9**, as enacted by Laws of Utah 1975, Chapter 102

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

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

62 **10-3-1109 . Compliance with Labor Code requirements.**

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

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

65 **17-33-11.5 . Compliance with Labor Code requirements.**

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

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

68 **17B-1-804 . Compliance with Labor Code requirements.**

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

70 Section 4. Section **34-32-101**, which is renumbered from Section 34-32-1 is renumbered  
71 and amended to read:

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

73 **Part 1. General Provisions**

74 [~~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  
77 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  
80 whole or in part, of employees, and that exists for the purpose, in whole or in part, of  
81 dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of  
82 employment, or other terms and conditions of employment.]

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

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

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

90 [(2) An employee may direct an employer, in writing, to deduct from the employee's wages a  
91 specified sum for union dues, not to exceed 3% per month, to be paid to a labor  
92 organization designated by the employee.]

93 [(3) An employer shall promptly commence or cease making deductions for union dues from  
94 the wages of an employee for the benefit of a labor organization when the employer  
95 receives a written communication from the employee directing the employer to commence  
96 or cease making deductions.]

- 97 ~~[(4) An employee's request that an employer cease making deductions may not be conditioned~~  
98 ~~upon a labor organization's:]~~
- 99 ~~[(a) receipt of advance notice of the request; or]~~  
100 ~~[(b) prior consent to cessation of the deductions:]~~
- 101 ~~[(5) A labor organization is not liable for any claim, service, or benefit that is:]~~  
102 ~~[(a) available only to a member of the labor organization; and]~~  
103 ~~[(b) terminated as a result of an employee's request that the employer cease making deductions~~  
104 ~~for union dues.]~~
- 105 ~~[(6) An employee may join a labor organization or terminate membership at any time. A~~  
106 ~~person may not place a restriction on the time that an employee may join, or terminate~~  
107 ~~membership with, a labor organization.]~~
- 108 ~~[(7) An employee may not waive a provision of this section.]~~
- 109 (1) "Employee" means an individual employed by a person, partnership, public, private, or  
110 municipal corporation, school district, the state, or a political subdivision of the state.
- 111 (2) "Employer" means the person employing an employee.
- 112 (3)(a) "Labor organization" means a lawful organization of any kind that is composed, in  
113 whole or in part, of employees, and that exists for the purpose, in whole or in part, of  
114 dealing with employers concerning grievances, labor disputes, wages, rates of pay,  
115 hours of employment, or other terms and conditions of employment.
- 116 (b) Except as provided in Subsection (3)(c), "labor organization" includes each  
117 employee association and union for employees of public and private sector  
118 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) that has entered into a labor agreement or labor protective agreement under the  
123 Urban Mass Transportation Act, 49 U.S.C. Sec.5333(b).
- 124 (4) "Political purposes" means an act done with the intent or in a way to influence or tend to  
125 influence, directly or indirectly, an individual to refrain from voting or to vote for or  
126 against any candidate for public office at any caucus, political convention, primary, or  
127 election.
- 128 (5) "Public employee" means an individual employed by a public employer.
- 129 (6) "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, a county, a municipality, a school district, a special district,  
 133 a special service district, or any other political subdivision of the state.  
 134 (7) "Public money" means the same as that term is defined in Section 76-1-101.5.  
 135 (8)(a) "Public property" means real property, personal property, or intellectual property  
 136 that is owned, held, or managed by a public employer.  
 137 (b) "Public property" includes a website, computer program, record, or data that is  
 138 owned, held, or managed by a public employer.  
 139 (9) "Representative" means a labor organization representative.  
 140 (10) "Union activity" means an activity that a labor organization, a member, or a  
 141 representative performs that relates to:  
 142 (a) advocating the interests of members in wages, benefits, or terms and conditions of  
 143 employment;  
 144 (b) enforcing the labor organization's internal policies and procedures;  
 145 (c) fulfilling the labor organization's obligations;  
 146 (d) advancing the labor organization's external relations; or  
 147 (e) union organizing.  
 148 (11) "Union dues" means dues, fees, assessments, or other money required as a condition of  
 149 membership or participation in a labor organization.  
 150 (12) "Union organizing" means communicating with a public employee in an effort to  
 151 persuade the public employee to join or support a labor organization.

152 Section 5. Section **34-32-102**, which is renumbered from Section 34-32-1.1 is renumbered  
 153 and amended to read:

154 **[~~34-32-1.1~~] 34-32-102 . Prohibiting public employers from collective bargaining -**  
 155 **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~~  
 158 ~~whole or in part, of employees and that exists for the purpose, in whole or in part, of~~  
 159 ~~dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of~~  
 160 ~~employment, or other terms and conditions of employment.]~~  
 161 [~~(ii) Except as provided in Subsection (1)(a)(iii), "labor organization" includes each employee~~  
 162 ~~association and union for public employees.]~~  
 163 [~~(iii) "Labor organization" does not include organizations governed by the National Labor~~  
 164 ~~Relations Act, 29 U.S.C. Sec. 151 et seq. or the Railroad Labor Act, 45 U.S.C. Sec. 151 et~~

- 165                   seq.]
- 166           [(b) "Political purposes" means an act done with the intent or in a way to influence or tend to
- 167           influence, directly or indirectly, any person to refrain from voting or to vote for or against
- 168           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
- 173           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
- 178           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
- 180           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
- 182           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
- 190           primarily for political purposes as defined in this chapter.
- 191    (2)(a) A public employer may not recognize a labor organization as a bargaining agent
- 192           of public employees or collectively bargain or enter into any collective bargaining
- 193           contract with a labor organization or a representative.
- 194           (b) For a collective bargaining agreement that is in effect on May 7, 2025, Subsection
- 195           (2)(a) does not apply until the public employer and the labor organization enter into a
- 196           new collective bargaining agreement or renew, extend, or modify the existing
- 197           collective bargaining agreement.
- 198    (3) A public employer may not use public money or public property to:

- 199 (a) assist or support union activity;  
 200 (b) compensate a public employee or a third party for union activity; or  
 201 (c) provide a public employee paid leave that is in addition to the public employee's  
 202 regularly accrued leave to allow the public employee to participate in union activity.  
 203 (4) A labor organization, member, or representative may not use public money or public  
 204 property for union activity.  
 205 (5) Nothing in Subsection (3) prohibits:  
 206 (a) a public employer from:  
 207 (i) spending public money or using public property for performing an activity  
 208 required by federal law or state law; or  
 209 (ii) compensating a public employee for annual leave, sick leave, or other leave that  
 210 the public employee accrues as a benefit of the public employee's employment,  
 211 provided the employer gives the compensation on the same terms as any other  
 212 employee;  
 213 (b) a labor organization or a representative from accessing public property that is real  
 214 property:  
 215 (i) in the same manner and to the same extent as the public employer allows access to  
 216 any other individual or entity; or  
 217 (ii) on a limited case-by-case basis, at the public employer's invitation, and if the  
 218 public employer determines that allowing the labor organization or representative  
 219 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  
 221 workplace during the public employee's break or when the public employee may  
 222 discuss non-work related matters.  
 223 [~~(3) The attorney general may bring an action to require a public employer to comply with the~~  
 224 ~~requirements of this section.]~~

225 Section 6. Section **34-32-201**, which is renumbered from Section 34-32-2 is renumbered  
 226 and amended to read:

## 227 **Part 2. Assignments**

### 228 **~~[34-32-2]~~ 34-32-201 . Assignments to farm organizations -- Effect.**

229 Whenever any producer of farm products within the state executes and delivers to a  
 230 dealer or processor of farm products, either as a clause in a sales agreement or other instrument  
 231 in writing, whereby such processor or dealer is directed to deduct a sum or a rate not exceeding  
 232 3% of the price to be paid for any such produce, such processor or dealer shall deduct from the

233 price to be paid for any farm product being sold by any such producer to any such processor or  
234 dealer, the amount so authorized and the producer or dealer shall pay the same to a farm  
235 organization as assignee.

236 Section 7. Section **34-32-202** is enacted to read:

237 **34-32-202 . Assignments to labor organizations -- Effect -- Reporting**  
238 **requirement.**

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

242 (2) An employer shall promptly commence or stop making deductions for union dues from  
243 the wages of an employee for the benefit of a labor organization when the employer  
244 receives a written communication from the employee directing the employer to  
245 commence or stop making deductions.

246 (3) An employee's request that an employer stop making deductions may not be conditioned  
247 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 employee's request that the employer stop making  
253 deductions for union dues.

254 (5)(a) An employee may join a labor organization or terminate membership at any time.

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

257 (6) An employee may not waive a provision of this section.

258 (7) On April 1 of each year, a labor organization that receives union dues using payroll  
259 deduction shall report to the labor organization's members and to the Labor Commission  
260 for the preceding calendar year:

261 (a) the amount the labor organization spent on:

262 (i) representing union members in disputes;

263 (ii) lobbying;

264 (iii) giving to political donations and other political activities; and

265 (iv) giving 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.

268 Section 8. Section **34-32-301**, which is renumbered from Section 34-32-3 is renumbered  
269 and amended to read:

270 **Part 3. Enforcement**

271 **[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  
273 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  
275 this chapter.

276 Section 9. Section **34-32-401**, which is renumbered from Section 34-32-4 is renumbered  
277 and amended to read:

278 **Part 4. Exceptions**

279 **[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  
281 Railway Labor Act passed by the Congress of the United States, June 21, 1934. 48 Stat.  
282 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  
284 of federal law.

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

286 **49-11-202 . Establishment of Utah State Retirement Board -- Quorum -- Terms --**  
287 **Officers -- Expenses and per diem.**

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

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

292 (b) [~~One~~] one board member shall be a school employee appointed by the governor from  
293 at least three nominations submitted by the [~~governing board of the school~~  
294 ~~employees' association that is representative of a majority of the school employees~~  
295 ~~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  
297 at least three nominations submitted by [~~the governing board of the public employee~~  
298 ~~association that is representative of a majority of the public employees who are~~  
299 ~~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  
303 advice and consent of the Senate.
- 304 (b) Board members shall serve until their successors are appointed and take the  
305 constitutional oath of office.
- 306 (c) When a vacancy occurs on the board for any reason, the replacement shall be  
307 appointed for the unexpired term.
- 308 (4)(a) Except as required by Subsection (4)(b), all appointed board members shall serve  
309 for four-year terms.
- 310 (b) Notwithstanding the requirements of Subsection (4)(a), the governor shall, at the  
311 time of appointment or reappointment, adjust the length of terms to ensure that the  
312 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  
315 appointed every two years.
- 316 (c) A board member who is appointed as a school employee or as a public employee  
317 who retires or who is no longer employed with a participating employer shall  
318 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  
321 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  
325 63A-3-107.
- 326 Section 11. Section **49-11-205** is amended to read:
- 327 **49-11-205 . Membership Council established -- Members -- Chair -- Duties --**  
328 **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~~  
331 ~~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~~

- 334 ~~board of an association]~~representative of a majority of school employees who are  
 335 members of a system administered by the board;
- 336 ~~[(b)]~~ (ii) one council member shall be a classified school employee ~~[selected by the~~  
 337 ~~governing board of the association]~~representative of a majority of classified  
 338 school employees who are members of a system administered by the board;
- 339 ~~[(e)]~~ (iii) two council members shall be public employees ~~[selected by the governing~~  
 340 ~~board of the association]~~representative of a majority of the public employees who  
 341 are members of a system administered by the board;
- 342 (iv) one council member shall be a representative of members of the Public Safety  
 343 Retirement System;
- 344 (v) one council member shall be a representative of paid professional firefighters who  
 345 are members of the Firefighters' Retirement System;
- 346 (vi) one council member shall be a retiree representing retirees, who are not public  
 347 education retirees, from the Public Employees' Contributory Retirement System,  
 348 Public Employees' Noncontributory Retirement System, and New Public  
 349 Employees' Tier II Contributory Retirement System;
- 350 (vii) one council member shall be a retiree representing public education retirees; and  
 351 (viii) one council member shall be a school business official representative of a  
 352 majority of the school business officials from public education employers who  
 353 participate in a system administered by the board.
- 354 ~~[(g) one council member shall be a representative of members of the Public Safety Retirement~~  
 355 ~~Systems selected by the governing board of the association representative of the majority of~~  
 356 ~~peace officers who are members of the Public Safety Retirement Systems;]~~
- 357 ~~[(h) one council member shall be a representative of members of the Firefighters' Retirement~~  
 358 ~~System selected by the governing board of the association representative of the majority of~~  
 359 ~~paid professional firefighters who are members of the Firefighters' Retirement System;]~~
- 360 ~~[(i) one council member shall be a retiree selected by the governing board of the association~~  
 361 ~~representing the largest number of retirees, who are not public education retirees, from the~~  
 362 ~~Public Employees' Contributory, Public Employees' Noncontributory, and New Public~~  
 363 ~~Employees' Tier II Contributory Retirement Systems;]~~
- 364 ~~[(j) one council member shall be a retiree selected by the governing board of the association~~  
 365 ~~representing the largest number of public education retirees;]~~
- 366 ~~[(k) one council member shall be a school business official selected by the governing board of~~  
 367 ~~the association representative of a majority of the school business officials from public~~

368 education employers who participate in a system administered by the board; and]

369 (c) Four members for the Membership Council are:

370 [~~(d)~~] (i) one council member shall be a municipal officer or employee selected by the  
371 governing board of the association representative of a majority of the  
372 municipalities who participate in a system administered by the board;

373 [~~(e)~~] (ii) one council member shall be a county officer or employee selected by the  
374 governing board of the association representative of a majority of counties who  
375 participate in a system administered by the board;

376 [~~(f)~~] (iii) one council member shall be a representative of members of the Judges'  
377 Noncontributory Retirement System selected by the Judicial Council; and

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

382 (3)(a) Each entity granted authority to select council members under Subsection (2) may  
383 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  
385 (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  
388 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  
392 any system or plan administered by the board;

393 (b) recommend procedures and practices to improve the administration of the systems  
394 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  
396 officer under Section 49-11-613;

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

399 (e) advise and counsel with the board and the director on policies affecting members of  
400 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  
403 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  
407 63A-3-107.

408 Section 12. Section **49-11-627** is enacted to read:

409 **49-11-627 . Withdrawing public employees' association -- Participation election**  
410 **date -- Withdrawal costs -- Rulemaking.**

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

413 (2) Notwithstanding any other provision of this title, a withdrawing entity shall provide for  
414 the participation of the withdrawing entity's employees with that system or plan as  
415 follows:

416 (a) the withdrawing entity shall determine a date that is before July 1, 2027, on which  
417 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  
419 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  
421 to document a good faith arrangement to complete a withdrawal under this section;  
422 and

423 (d) subject to Subsection (3), the withdrawing entity shall pay to the office any  
424 reasonable actuarial and administrative costs determined by the office, including an  
425 actuarially determined short-fall liability contribution and a contingency payment to  
426 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  
429 current employees who are covered by a system or plan on the date set under  
430 Subsection (2)(a); and

431 (b) withdraw from participation in all systems and plans for employees initially entering  
432 employment with the withdrawing entity, beginning on the date set under Subsection  
433 (2)(a).

434 (4) Before a withdrawing entity may withdraw under this section, the withdrawing entity  
435 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).

438 Section 13. Section **49-12-202** is amended to read:

439 **49-12-202 . Participation of employers -- Limitations -- Exclusions -- Admission**  
440 **requirements -- Exceptions -- Nondiscrimination requirements.**

441 (1)(a) Unless excluded under Subsection (2), an employer is a participating employer  
442 and may not withdraw from participation in this system.

443 (b) In addition to participation in this system, a participating employer may provide or  
444 participate in public or private retirement, supplemental or defined contribution plan,  
445 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  
448 system prior to January 1, 1982, if:

449 (i) the employer elects not to provide or participate in any type of private or public  
450 retirement, supplemental or defined contribution plan, either directly or indirectly,  
451 for the employer's employees, except for Social Security; or

452 (ii) the employer offers another collectively bargained retirement benefit and has  
453 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,  
455 Charter School Authorization, and does not elect to participate in accordance with  
456 Section 53G-5-407;

457 (c) an employer that is a hospital created as a special service district under Title 17D,  
458 Chapter 1, Special Service District Act, that makes an election of nonparticipation in  
459 accordance with Subsection (4); or

460 (d) an employer that is licensed as a nursing care facility under Title 26B, Chapter 2,  
461 Part 2, Health Care Facility Licensing and Inspection, and created as a special service  
462 district under Title 17D, Chapter 1, Special Service District Act, in a rural area of the  
463 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  
465 July 1, 1986, may not participate in this system.

466 (b) A public employees' association that is not a participating employer on July 1, 2027,  
467 may not participate in this system.

468 (4)(a)(i) Until June 30, 2009, a employer that is a hospital created as a special service  
469 district under Title 17D, Chapter 1, Special Service District Act, may make an

470 election of nonparticipation as an employer for retirement programs under this  
471 chapter.

472 (ii) Until June 30, 2014, an employer that is licensed as a nursing care facility under  
473 Title 26B, Chapter 2, Part 2, Health Care Facility Licensing and Inspection, and  
474 created as a special service district under Title 17D, Chapter 1, Special Service  
475 District Act, in a rural area of the state may make an election of nonparticipation  
476 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  
480 service district;

481 (iii) is irrevocable; and

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

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

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

487 or

488 (ii) under any other program.

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

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

495 (ii) comply with the provisions of Section 49-11-403, except for the requirement  
496 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  
500 contributions under any other retirement system or plan based on the period of  
501 employment for which service credit is being purchased.

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

503 **49-13-202 . Participation of employers -- Limitations -- Exclusions -- Admission**

504 **requirements -- Nondiscrimination requirements -- Service credit purchases.**

- 505 (1)(a) Unless excluded under Subsection (2), an employer is a participating employer  
506 and may not withdraw from participation in this system.
- 507 (b) In addition to participation in this system, a participating employer may provide or  
508 participate in any additional public or private retirement, supplemental or defined  
509 contribution plan, either directly or indirectly, for the participating employer's  
510 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  
513 system before January 1, 1982, if:
- 514 (i) the employer elects not to provide or participate in any type of private or public  
515 retirement, supplemental or defined contribution plan, either directly or indirectly,  
516 for the employer's employees, except for Social Security; or
- 517 (ii) the employer offers another collectively bargained retirement benefit and has  
518 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,  
520 Charter School Authorization, and does not elect to participate in accordance with  
521 Section 53G-5-407;
- 522 (c) an employer that is a hospital created as a special service district under Title 17D,  
523 Chapter 1, Special Service District Act, that makes an election of nonparticipation in  
524 accordance with Subsection (5);
- 525 (d) an employer that is licensed as a nursing care facility under Title 26B, Chapter 2,  
526 Part 2, Health Care Facility Licensing and Inspection, and created as a special service  
527 district under Title 17D, Chapter 1, Special Service District Act, in a rural area of the  
528 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  
530 agreement before 1986 for the purpose of implementing a self-insurance joint  
531 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  
533 provide or participate in any type of public or private retirement, supplemental or  
534 defined contribution plan, either directly or indirectly, except for Social Security, the  
535 employer shall be a participating employer in this system regardless of whether the  
536 employer has applied for admission under Subsection (4).
- 537 (4)(a) An employer may, by resolution of the employer's governing body, apply for



- 538 admission to this system.
- 539 (b) Upon approval of the resolution by the board, the employer is a participating  
540 employer in this system and is subject to this title.
- 541 (5)(a)(i) Until June 30, 2009, a employer that is a hospital created as a special service  
542 district under Title 17D, Chapter 1, Special Service District Act, may make an  
543 election of nonparticipation as an employer for retirement programs under this  
544 chapter.
- 545 (ii) Until June 30, 2014, an employer that is licensed as a nursing care facility under  
546 Title 26B, Chapter 2, Part 2, Health Care Facility Licensing and Inspection, and  
547 created as a special service district under Title 17D, Chapter 1, Special Service  
548 District Act, in a rural area of the state may make an election of nonparticipation  
549 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  
551 an election of nonparticipation as an employer for retirement programs under this  
552 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  
556 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  
559 employees of that employer.
- 560 (c) The employer making an election under Subsection (5)(a) may offer employee  
561 benefit plans for the employer's employees:
- 562 (i) under Title 49, Chapter 20, Public Employees' Benefit and Insurance Program Act;  
563 or  
564 (ii) under any other program.
- 565 (6)(a) If a participating employer purchases service credit on behalf of a regular full-time  
566 employee for service rendered prior to the participating employer's admission to this  
567 system, the participating employer shall:
- 568 (i) purchase service credit in a nondiscriminatory manner on behalf of all current and  
569 former regular full-time employees who were eligible for service credit at the time  
570 service was rendered; and  
571 (ii) comply with the provisions of Section 49-11-403, except for the requirement

572 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  
576 contributions under any other retirement system or plan based on the period of  
577 employment for which service credit is being purchased.

578 (7) A public employees' association that is not a participating employer on July 1, 2027,  
579 may not participate in this system.

580 Section 15. Section **49-22-202** is amended to read:

581 **49-22-202 . Participation of employers -- Limitations -- Exclusions -- Admission**  
582 **requirements.**

583 (1) Unless excluded under Subsection (2), an employer is a participating employer and may  
584 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  
587 system before January 1, 1982, if:

588 (i) the employer elects not to provide or participate in any type of private or public  
589 retirement, supplemental or defined contribution plan, either directly or indirectly,  
590 for its employees, except for Social Security; or

591 (ii) the employer offers another collectively bargained retirement benefit and has  
592 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,  
594 Charter School Authorization, and does not elect to participate in accordance with  
595 Section 53G-5-407; or

596 (c) an employer that is a risk management association initially created by interlocal  
597 agreement before 1986 for the purpose of implementing a self-insurance joint  
598 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  
600 provide or participate in any type of public or private retirement, supplemental or  
601 defined contribution plan, either directly or indirectly, except for Social Security, the  
602 employer shall be a participating employer in this system regardless of whether the  
603 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  
605 system.

- 606 (b) Upon approval of the resolution by the board, the employer is a participating  
 607 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  
 609 employee for service rendered prior to the participating employer's admission to this  
 610 system, the participating employer:
- 611 (a) shall purchase credit in a nondiscriminatory manner on behalf of all current and  
 612 former regular full-time employees who were eligible for service credit at the time  
 613 service was rendered; and
- 614 (b) shall comply with the provisions of Section 49-11-403.

615 (6) A public employees' association that is not a participating employer on July 1, 2027,  
 616 may not participate in this system.

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

618 **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 employee of a local education agency.  
 621 (b) "Local education agency" means the same as that term is defined in Section  
 622 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  
 625 manager as the division director, who shall be qualified by education and experience  
 626 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  
 629 purchased by the state or any captive insurance company created by the risk manager:
- 630 (i) all property and casualty insurance;
- 631 (ii)(A) professional liability insurance that covers employment disputes between a  
 632 K-12 personnel and the K-12 personnel employer; and
- 633 (B) explore the feasibility of providing professional liability insurance for a public  
 634 employee not covered under Subsection (3)(a)(i)(A);
- 635 [(ii)] (iii) reinsurance of property[-and] , casualty insurance, and professional liability  
 636 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

- 640 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;
- 644 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
- 647 to which these risks will be covered;
- 648 (iii) prescribing the properties, risks, deductibles, and amount limits eligible for
- 649 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
- 652 claims, which may include binding arbitration;
- 653 (c) implement a risk management and loss prevention program for covered entities for
- 654 the purpose of reducing risks, accidents, and losses to assist covered entities in
- 655 fulfilling their responsibilities for risk control and safety;
- 656 (d) coordinate and cooperate with any covered entity having responsibility to manage
- 657 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;
- 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
- 666 the risk manager in accordance with economically and actuarially sound principles to
- 667 produce adequate reserves for the payment of contingencies, including unpaid and
- 668 unreported claims, and may purchase any insurance or reinsurance considered
- 669 necessary to accomplish this objective; and
- 670 (g) inform the covered entity's governing body and the governor when any covered
- 671 entity fails or refuses to comply with reasonable risk control recommendations made
- 672 by the risk manager.
- 673 ~~[(3)]~~ (4) Before the effective date of any rule, the risk manager shall provide a copy of the

674 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

676 manager to purchase:

677 (a) workers' compensation insurance;

678 (b) health insurance; or

679 (c) life insurance.

680 Section 17. **Repealer.**

681 This bill repeals:

682 Section **34-20a-1, Title.**

683 Section **34-20a-2, Definitions.**

684 Section **34-20a-3, Fire fighters' right to bargain collectively.**

685 Section **34-20a-4, Exclusive bargaining representative -- Selection -- Exclusions from**  
686 **negotiating team.**

687 Section **34-20a-5, Corporate authority duty -- Collective bargaining agreement --**

688 **No-strike clause.**

689 Section **34-20a-6, Notice of request for collective bargaining -- Time.**

690 Section **34-20a-7, Arbitration.**

691 Section **34-20a-8, Procedure for arbitration.**

692 Section **34-20a-9, Board of arbitration -- Determination -- Final and binding -- Exception**  
693 **-- Expense.**

694 Section 18. **Effective Date.**

695 This bill takes effect on July 1, 2025.