

Kirk A. Cullimore proposes the following substitute bill:

**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 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;
- requires a public employee labor organization to conduct a recertification election every five years;
- prohibits using public money or public property to assist, promote, or deter union organizing or administration;
- excludes new labor organization employees 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
  - other public employees if there is a sufficient demand; 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:

- 29 **10-3-1109**, as enacted by Laws of Utah 2003, Chapter 284
- 30 **17-33-11.5**, as enacted by Laws of Utah 2003, Chapter 284
- 31 **17B-1-804**, as last amended by Laws of Utah 2023, Chapter 15
- 32 **49-11-202**, as last amended by Laws of Utah 2020, Chapter 352
- 33 **49-11-205**, as last amended by Laws of Utah 2023, Chapter 16
- 34 **49-12-202**, as last amended by Laws of Utah 2023, Chapter 328
- 35 **49-13-202**, as last amended by Laws of Utah 2023, Chapter 328
- 36 **49-22-202**, as last amended by Laws of Utah 2018, Chapter 415
- 37 **63A-4-101.5**, as last amended by Laws of Utah 2022, Chapter 169

38 ENACTS:

- 39 **34-32-202**, Utah Code Annotated 1953
- 40 **49-11-627**, Utah Code Annotated 1953

41 RENUMBERS AND AMENDS:

- 42 **34-32-101**, (Renumbered from 34-32-1, as last amended by Laws of Utah 2011, Chapter
- 43 220)
- 44 **34-32-102**, (Renumbered from 34-32-1.1, as last amended by Laws of Utah 2023,
- 45 Chapter 16)
- 46 **34-32-201**, (Renumbered from 34-32-2, as enacted by Laws of Utah 1969, Chapter 85)
- 47 **34-32-301**, (Renumbered from 34-32-3, as last amended by Laws of Utah 2018, Chapter
- 48 148)
- 49 **34-32-401**, (Renumbered from 34-32-4, as last amended by Laws of Utah 2011, Chapter
- 50 297)

51 REPEALS:

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

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

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

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

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

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

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

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

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

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

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

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

## 74 **CHAPTER 32. PUBLIC SECTOR LABOR ORGANIZATIONS**

### 75 **Part 1. General Provisions**

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

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

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

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

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

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

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

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

95 ~~[(2) An employee may direct an employer, in writing, to deduct from the employee's wages~~

- 96 a specified sum for union dues, not to exceed 3% per month, to be paid to a labor  
97 organization designated by the employee.]
- 98 [~~(3) An employer shall promptly commence or cease making deductions for union dues~~  
99 ~~from the wages of an employee for the benefit of a labor organization when the~~  
100 ~~employer receives a written communication from the employee directing the employer~~  
101 ~~to commence or cease making deductions.~~]
- 102 [~~(4) An employee's request that an employer cease making deductions may not be~~  
103 ~~conditioned upon a labor organization's:~~]
- 104 [~~(a) receipt of advance notice of the request; or]~~  
105 [~~(b) prior consent to cessation of the deductions.~~]
- 106 [~~(5) A labor organization is not liable for any claim, service, or benefit that is:~~]
- 107 [~~(a) available only to a member of the labor organization; and]~~  
108 [~~(b) terminated as a result of an employee's request that the employer cease making~~  
109 ~~deductions for union dues.~~]
- 110 [~~(6) An employee may join a labor organization or terminate membership at any time. A~~  
111 ~~person may not place a restriction on the time that an employee may join, or terminate~~  
112 ~~membership with, a labor organization.~~]
- 113 [~~(7) An employee may not waive a provision of this section.~~]
- 114 (1) "Class" means a group of public employees:
- 115 (a) not represented by a labor organization for purposes of collective bargaining; and  
116 (b) that consists of members and not members.
- 117 (2) "Collective bargaining representative" means a labor organization that engages in  
118 collective bargaining on a collective bargaining unit's behalf.
- 119 (3) "Collective bargaining unit" means a group of public employees:
- 120 (a) represented by a single labor organization for purposes of collective bargaining; and  
121 (b) that consists of members and not members.
- 122 (4)(a) "Labor organization" means a lawful organization of any kind that is composed, in  
123 whole or in part, of employees, and that exists for the purpose, in whole or in part, of  
124 dealing with employers concerning grievances, labor disputes, wages, rates of pay,  
125 hours of employment, or other terms and conditions of employment.
- 126 (b) Except as provided in Subsection (4)(c), "labor organization" includes each  
127 employee association and union for employees of public and private sector employers.
- 128 (c) "Labor organization" does not include:
- 129 (i) an organization that has entered into a labor agreement or labor protective

- 130 agreement under the Urban Mass Transportation Act, 49 U.S.C. Sec.5333(b); or  
131 (ii) an employer's internal functions, such as human resources or legal services,  
132 whether performed directly by the employer or through third-party contractors.
- 133 (5) "Member" means a public employee who is a member of a labor organization.
- 134 (6) "Political purposes" means an act done with the intent or in a way to influence or tend to  
135 influence, directly or indirectly, an individual to refrain from voting or to vote for or  
136 against any candidate for public office at any caucus, political convention, primary, or  
137 election.
- 138 (7) "Public employee" means an individual employed by a public employer.
- 139 (8) "Public employer" means an employer that is:
- 140 (a) the state of Utah or any administrative subunit of the state;  
141 (b) a state institution of higher education; or  
142 (c) a county, a municipality, a school district, a charter school, a special district, a  
143 special service district, or any other political subdivision of the state.
- 144 (9) "Public money" means the same as that term is defined in Section 76-1-101.5.
- 145 (10)(a) "Public property" means real property, personal property, or intellectual property  
146 that is owned, held, or managed by a public employer.
- 147 (b) "Public property" includes a website, computer program, record, or data that is  
148 owned, held, or managed by a public employer.
- 149 (11) "Representative" means a labor organization representative.
- 150 (12) "Third-party election facilitator" means an entity that, as part of the entity's operations,  
151 provides impartial election administration, including ballot preparation, tabulation, and  
152 results certification.
- 153 (13)(a) "Union activity" means an activity that a labor organization, a member, or a  
154 representative performs that relates to:
- 155 (i) advocating the general interests of members in wages, benefits, or terms and  
156 conditions of employment;  
157 (ii) enforcing the labor organization's internal policies and procedures;  
158 (iii) fulfilling the labor organization's obligations; or  
159 (iv) advancing the labor organization's external relations; or
- 160 (b) "Union activity" does not include advocating for a public employee in a specific  
161 employment dispute.
- 162 (14) "Union dues" means dues, fees, assessments, or other money required as a condition of  
163 membership or participation in a labor organization.

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

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

170 [~~(1) As used in this section:~~]

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

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

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

181 ~~[(b) "Political purposes" means an act done with the intent or in a way to influence or~~  
182 ~~tend to influence, directly or indirectly, any person to refrain from voting or to vote~~  
183 ~~for or against any candidate for public office at any caucus, political convention,~~  
184 ~~primary, or election.]~~

185 ~~[(e) "Public employee" means a person employed by:]~~

186 ~~[(i) the state of Utah or any administrative subunit of the state;]~~

187 ~~[(ii) a state institution of higher education; or]~~

188 ~~[(iii) a municipal corporation, a county, a municipality, a school district, a special~~  
189 ~~district, a special service district, or any other political subdivision of the state.]~~

190 ~~[(d) "Public employer" means an employer that is:]~~

191 ~~[(i) the state of Utah or any administrative subunit of the state;]~~

192 ~~[(ii) a state institution of higher education; or]~~

193 ~~[(iii) a municipal corporation, a county, a municipality, a school district, a special~~  
194 ~~district, a special service district, or any other political subdivision of the state.]~~

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

197 ~~[(2)] (1) A public employer may not deduct from the wages of [its] the public employer's~~

198 employees any amounts to be paid to:

- 199 (a) a candidate as defined in Section 20A-11-101;
- 200 (b) a personal campaign committee as defined in Section 20A-11-101;
- 201 (c) a political action committee as defined in Section 20A-11-101;
- 202 (d) a political issues committee as defined in Section 20A-11-101;
- 203 (e) a registered political party as defined in Section 20A-11-101;
- 204 (f) a political fund as defined in Section 20A-11-1402; or
- 205 (g) any entity established by a labor organization to solicit, collect, or distribute money
- 206 primarily for political purposes as defined in this chapter.

207 (2)(a)(i) In 2026 and every fifth calendar year thereafter, a collective bargaining  
208 representative shall engage, at the collective bargaining representative's expense, a  
209 third-party election facilitator to conduct a secret ballot election to certify the  
210 collective bargaining representative.

211 (ii) The third-party election facilitator shall complete the election no later than  
212 December 1.

213 (b)(i) If a majority of the employees in the collective bargaining unit vote in favor of  
214 certifying the collective bargaining representative, the collective bargaining  
215 representative may continue as the collective bargaining unit's collective  
216 bargaining representative.

217 (ii) If less than a majority of employees in the collective bargaining unit vote to  
218 certify the collective bargaining representative, the collective bargaining unit  
219 remains represented in collective bargaining until the day on which the collective  
220 bargaining agreement expires.

221 (c) A public employer may not conduct another collective bargaining representative  
222 secret ballot election for a collective bargaining unit if the collective bargaining unit  
223 votes not to certify a collective bargaining representative for 12 months after the day  
224 on which the collective bargaining representative's representation ends.

225 (3)(a) Beginning January 1, 2026, a class that want to engage a collective bargaining  
226 representative shall engage a third-party election facilitator to conduct a secret ballot  
227 election to contract with a collective bargaining representative.

228 (b)(i) If a majority of the employees in the class votes in favor of contracting with the  
229 collective bargaining representative, the collective bargaining representative may  
230 serve as the class's collective bargaining representative, making the class a  
231 collective bargaining unit.

- 232           (ii) If less than a majority of the class vote in favor of contracting with the collective  
233           bargaining representative, the class remains unrepresented by a collective  
234           bargaining representative,
- 235       (c) A public employer may not conduct another collective bargaining representative  
236           secret ballot election for a class that votes not to contract with a collective bargaining  
237           representative for 12 months after the day on which the election is final.
- 238 (4)(a) A public employer may not use public money or access public property to:
- 239           (i) assist or support union activity;
- 240           (ii) compensate a public employee or a third party for union activity; or
- 241           (iii) provide a public employee paid leave that is in addition to the public employee's  
242           regularly accrued leave to allow the public employee to participate in union  
243           activity.
- 244       (b) A public employer shall have a written policy that provides the requirements for a  
245           third-party organization to use public property that is real property and managed by  
246           the public employer.
- 247 (5) A labor organization, member, or representative may not receive public money or use  
248           public property in a manner that violates Subsection (4).
- 249 (6) Nothing in Subsection (4) or (5) prohibits:
- 250       (a) a public employer from:
- 251           (i) spending public money or using public property for performing an activity  
252           required by federal law or state law; or
- 253           (ii) compensating a public employee for annual leave, sick leave, or other leave that  
254           the public employee accrues as a benefit of the public employee's employment,  
255           provided the public employer gives the compensation on the same terms as any  
256           other public employee;
- 257       (b) a labor organization or a representative from accessing public property that is real  
258           property:
- 259           (i) in the same manner and to the same extent as the public employer allows access to  
260           any other external individual or entity; or
- 261           (ii) on a limited case-by-case basis, at the public employer's invitation, and if the  
262           public employer determines that allowing the labor organization or representative  
263           access to the public property is in the public employees' best interests;
- 264       (c) a public employee from engaging in discussion with other individuals in the  
265           workplace during the public employee's break or when the public employee may



266 discuss non-work related matters; or  
 267 (d) a public employer spending public money for a public employee to participate in  
 268 union activity if the labor organization fully compensates the public employer for the  
 269 public money spent.

270 (7) For public property that is real property and not accessible to the public, the public  
 271 employer shall provide space for a labor organization or a representative as the public  
 272 employer deems is in the best interest of the public employer's public employees.

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

274 ~~[(3) The attorney general may bring an action to require a public employer to comply with~~  
 275 ~~the requirements of this section.]~~

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

## 278 **Part 2. Assignments**

279 **[34-32-2] 34-32-201 . Assignments to farm organizations -- Effect.**

280 Whenever any producer of farm products within the state executes and delivers to a  
 281 dealer or processor of farm products, either as a clause in a sales agreement or other instrument  
 282 in writing, whereby such processor or dealer is directed to deduct a sum or a rate not exceeding  
 283 3% of the price to be paid for any such produce, such processor or dealer shall deduct from the  
 284 price to be paid for any farm product being sold by any such producer to any such processor or  
 285 dealer, the amount so authorized and the producer or dealer shall pay the same to a farm  
 286 organization as assignee.

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

288 **34-32-202 . Assignments to labor organizations -- Effect -- Reporting**  
 289 **requirement.**

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

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

295 (2) A public employer shall promptly commence or stop making deductions for union dues  
 296 from the wages of a public employee for the benefit of a labor organization when the  
 297 public employer receives a written communication from the public employee directing  
 298 the public employer to commence or stop making deductions.

299 (3) A public employee's request that a public employer stop making deductions may not be

- 300 conditioned upon a labor organization's:  
 301 (a) receipt of advance notice of the request; or  
 302 (b) consent to stop the deductions.  
 303 (4) A labor organization is not liable for any claim, service, or benefit that is:  
 304 (a) available only to a member of the labor organization; and  
 305 (b) terminated as a result of a public employee's request that the public employer stop  
 306 making deductions for union dues.  
 307 (5)(a) A public employee may join a labor organization or terminate membership at any  
 308 time.  
 309 (b) A person may not place a restriction on the time that a public employee may join or  
 310 terminate participation with a labor organization.  
 311 (6) A public employee may not waive a provision of this section.  
 312 (7) Beginning July 1, 2027, on July 1 of each year, a labor organization that receives union  
 313 dues from a member through payroll deduction shall report to the labor organization's  
 314 members and to the Labor Commission for the preceding calendar year:  
 315 (a) the amount the labor organization spent on:  
 316 (i) representation of union members in disputes;  
 317 (ii) lobbying;  
 318 (iii) political donations and other political activities; and  
 319 (iv) payments, dues, and contributions to affiliate or umbrella organizations; and  
 320 (b) the number of members in the labor organization.  
 321 (8) Nothing in this section provides public employees a right to collective bargaining.

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

### 324 **Part 3. Enforcement**

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

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

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

### 332 **Part 4. Exceptions**

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

334 (1) The provisions of this chapter do not apply to carriers as that term is defined in the  
 335 Railway Labor Act passed by the Congress of the United States, June 21, 1934. 48 Stat.  
 336 1189, U.S. Code, Title 45, Section 151.

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

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

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

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

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

346 (b) ~~[One]~~ one board member shall be a school employee appointed by the governor~~[from~~  
 347 ~~at least three nominations submitted by the governing board of the school employees'~~  
 348 ~~association that is representative of a majority of the school employees who are~~  
 349 ~~members of a system administered by the board.] ;~~

350 (c) ~~[One]~~ one board member shall be a public employee appointed by the governor~~[~~  
 351 ~~from at least three nominations submitted by the governing board of the public~~  
 352 ~~employee association that is representative of a majority of the public employees who~~  
 353 ~~are members of a system administered by the board.] ; and~~

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

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

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

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

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

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

364 (b) Notwithstanding the requirements of Subsection (4)(a), the governor shall, at the  
 365 time of appointment or reappointment, adjust the length of terms to ensure that the  
 366 terms of board members are staggered so that:

367 (i) approximately half of the board is appointed every two years; and  
 368 (ii) no more than two of the board members appointed under Subsection (1)(a) are  
 369 appointed every two years.

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

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

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

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

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

378 (iii) rules made by the Division of Finance pursuant to Sections 63A-3-106 and  
 379 63A-3-107.

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

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

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

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

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

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

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

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

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

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

- 401            (vi) one council member shall be a retiree representing retirees, who are not public  
 402            education retirees, from the Public Employees' Contributory Retirement System,  
 403            Public Employees' Noncontributory Retirement System, and New Public  
 404            Employees' Tier II Contributory Retirement System;
- 405            (vii) one council member shall be a retiree representing the largest number of public  
 406            education retirees;
- 407            (viii) one council member shall be a school business official representative of a  
 408            majority of the school business officials from public education employers who  
 409            participate in a system administered by the board.
- 410            ~~[(g) one council member shall be a representative of members of the Public Safety~~  
 411            ~~Retirement Systems selected by the governing board of the association representative~~  
 412            ~~of the majority of peace officers who are members of the Public Safety Retirement~~  
 413            ~~Systems;]~~
- 414            ~~[(h) one council member shall be a representative of members of the Firefighters'~~  
 415            ~~Retirement System selected by the governing board of the association representative~~  
 416            ~~of the majority of paid professional firefighters who are members of the Firefighters'~~  
 417            ~~Retirement System;]~~
- 418            ~~[(i) one council member shall be a retiree selected by the governing board of the~~  
 419            ~~association representing the largest number of retirees, who are not public education~~  
 420            ~~retirees, from the Public Employees' Contributory, Public Employees'~~  
 421            ~~Noncontributory, and New Public Employees' Tier II Contributory Retirement~~  
 422            ~~Systems;]~~
- 423            ~~[(j) one council member shall be a retiree selected by the governing board of the~~  
 424            ~~association representing the largest number of public education retirees;]~~
- 425            ~~[(k) one council member shall be a school business official selected by the governing~~  
 426            ~~board of the association representative of a majority of the school business officials~~  
 427            ~~from public education employers who participate in a system administered by the~~  
 428            ~~board; and]~~
- 429            (c) Four members for the Membership Council are as follows:
- 430            ~~[(d)]~~ (i) one council member shall be a municipal officer or employee selected by the  
 431            governing board of the association representative of a majority of the  
 432            municipalities who participate in a system administered by the board;
- 433            ~~[(e)]~~ (ii) one council member shall be a county officer or employee selected by the  
 434            governing board of the association representative of a majority of counties who

435           participate in a system administered by the board;  
436           [(f)] (iii) one council member shall be a representative of members of the Judges'  
437           Noncontributory Retirement System selected by the Judicial Council; and  
438           [(H)] (iv) one council member shall be a special district officer or employee selected  
439           by the governing board of the association representing the largest number of  
440           special service districts and special districts who participate in a system  
441           administered by the board.

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

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

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

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

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

450 (5) The council shall:

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

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

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

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

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

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

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

464       (a) Section 63A-3-106;

465       (b) Section 63A-3-107; and

466       (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and  
467       63A-3-107.

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

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

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

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

476 (a) the withdrawing entity shall determine a date that is before July 1, 2027, on which  
477 the withdrawing entity shall complete withdrawal under Subsection (3);

478 (b) the withdrawing entity shall provide to the office notice of the withdrawing entity's  
479 intent to enter into an agreement described in Subsection (2)(c);

480 (c) the withdrawing entity and the office shall enter into an intent to withdraw agreement  
481 to document a good faith arrangement to complete a withdrawal under this section;  
482 and

483 (d) subject to Subsection (3), the withdrawing entity shall pay to the office any  
484 reasonable actuarial and administrative costs determined by the office, including an  
485 actuarially determined short-fall liability contribution and a contingency payment to  
486 provide financial protection to the remaining participating employers.

487 (3) The withdrawing entity shall:

488 (a) continue the withdrawing entity's participation for all of the withdrawing entity's  
489 current employees who are covered by a system or plan on the date set under  
490 Subsection (2)(a); and

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

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

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

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

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

499           **49-12-202 . Participation of employers -- Limitations -- Exclusions -- Admission**  
500 **requirements -- Exceptions -- Nondiscrimination requirements.**

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

- 503 (b) In addition to participation in this system, a participating employer may provide or  
504 participate in public or private retirement, supplemental or defined contribution plan,  
505 either directly or indirectly, for the participating employer's employees.
- 506 (2) The following employers may be excluded from participation in this system:
- 507 (a) an employer not initially admitted or included as a participating employer in this  
508 system prior to January 1, 1982, if:
- 509 (i) the employer elects not to provide or participate in any type of private or public  
510 retirement, supplemental or defined contribution plan, either directly or indirectly,  
511 for the employer's employees, except for Social Security; or
- 512 (ii) the employer offers another collectively bargained retirement benefit and has  
513 continued to do so on an uninterrupted basis since that date;
- 514 (b) an employer that is a charter school authorized under Title 53G, Chapter 5, Part 3,  
515 Charter School Authorization, and does not elect to participate in accordance with  
516 Section 53G-5-407;
- 517 (c) an employer that is a hospital created as a special service district under Title 17D,  
518 Chapter 1, Special Service District Act, that makes an election of nonparticipation in  
519 accordance with Subsection (4); or
- 520 (d) an employer that is licensed as a nursing care facility under Title 26B, Chapter 2,  
521 Part 2, Health Care Facility Licensing and Inspection, and created as a special service  
522 district under Title 17D, Chapter 1, Special Service District Act, in a rural area of the  
523 state that makes an election of nonparticipation in accordance with Subsection (4).
- 524 (3)(a) An employer who did not become a participating employer in this system prior to  
525 July 1, 1986, may not participate in this system.
- 526 (b) A public employees' association may not become a participating employer after  
527 January 1, 2025.
- 528 (4)(a)(i) Until June 30, 2009, a employer that is a hospital created as a special service  
529 district under Title 17D, Chapter 1, Special Service District Act, may make an  
530 election of nonparticipation as an employer for retirement programs under this  
531 chapter.
- 532 (ii) Until June 30, 2014, an employer that is licensed as a nursing care facility under  
533 Title 26B, Chapter 2, Part 2, Health Care Facility Licensing and Inspection, and  
534 created as a special service district under Title 17D, Chapter 1, Special Service  
535 District Act, in a rural area of the state may make an election of nonparticipation  
536 as an employer for retirement programs under this chapter.



- 537 (b) An election provided under Subsection (4)(a):
- 538 (i) is a one-time election made no later than the time specified under Subsection (4)(a);
- 539 (ii) shall be documented by a resolution adopted by the governing body of the special
- 540 service district;
- 541 (iii) is irrevocable; and
- 542 (iv) applies to the special service district as the employer and to all employees of the
- 543 special service district.
- 544 (c) The governing body of the special service district may offer employee benefit plans
- 545 for special service district's employees:
- 546 (i) under Title 49, Chapter 20, Public Employees' Benefit and Insurance Program Act;
- 547 or
- 548 (ii) under any other program.
- 549 (5)(a) If a participating employer purchases service credit on behalf of a regular full-time
- 550 employee for service rendered prior to the participating employer's admission to this
- 551 system, the participating employer shall:
- 552 (i) purchase service credit in a nondiscriminatory manner on behalf of all current and
- 553 former regular full-time employees who were eligible for service credit at the time
- 554 service was rendered; and
- 555 (ii) comply with the provisions of Section 49-11-403, except for the requirement
- 556 described in Subsection 49-11-403(2)(a).
- 557 (b) For a purchase made under this Subsection (5), an employee is not required to:
- 558 (i) have at least four years of service credit before the purchase can be made; or
- 559 (ii) forfeit service credit or any defined contribution balance based on the employer
- 560 contributions under any other retirement system or plan based on the period of
- 561 employment for which service credit is being purchased.
- 562 Section 14. Section **49-13-202** is amended to read:
- 563 **49-13-202 . Participation of employers -- Limitations -- Exclusions -- Admission**
- 564 **requirements -- Nondiscrimination requirements -- Service credit purchases.**
- 565 (1)(a) Unless excluded under Subsection (2), an employer is a participating employer
- 566 and may not withdraw from participation in this system.
- 567 (b) In addition to participation in this system, a participating employer may provide or
- 568 participate in any additional public or private retirement, supplemental or defined
- 569 contribution plan, either directly or indirectly, for the participating employer's
- 570 employees.

- 571 (2) The following employers may be excluded from participation in this system:
- 572 (a) an employer not initially admitted or included as a participating employer in this
- 573 system before January 1, 1982, if:
- 574 (i) the employer elects not to provide or participate in any type of private or public
- 575 retirement, supplemental or defined contribution plan, either directly or indirectly,
- 576 for the employer's employees, except for Social Security; or
- 577 (ii) the employer offers another collectively bargained retirement benefit and has
- 578 continued to do so on an uninterrupted basis since that date;
- 579 (b) an employer that is a charter school authorized under Title 53G, Chapter 5, Part 3,
- 580 Charter School Authorization, and does not elect to participate in accordance with
- 581 Section 53G-5-407;
- 582 (c) an employer that is a hospital created as a special service district under Title 17D,
- 583 Chapter 1, Special Service District Act, that makes an election of nonparticipation in
- 584 accordance with Subsection (5);
- 585 (d) an employer that is licensed as a nursing care facility under Title 26B, Chapter 2,
- 586 Part 2, Health Care Facility Licensing and Inspection, and created as a special service
- 587 district under Title 17D, Chapter 1, Special Service District Act, in a rural area of the
- 588 state that makes an election of nonparticipation in accordance with Subsection (5); or
- 589 (e) an employer that is a risk management association initially created by interlocal
- 590 agreement before 1986 for the purpose of implementing a self-insurance joint
- 591 protection program for the benefit of member municipalities of the association.
- 592 (3) If an employer that may be excluded under Subsection (2)(a)(i) elects at any time to
- 593 provide or participate in any type of public or private retirement, supplemental or
- 594 defined contribution plan, either directly or indirectly, except for Social Security, the
- 595 employer shall be a participating employer in this system regardless of whether the
- 596 employer has applied for admission under Subsection (4).
- 597 (4)(a) An employer may, by resolution of the employer's governing body, apply for
- 598 admission to this system.
- 599 (b) Upon approval of the resolution by the board, the employer is a participating
- 600 employer in this system and is subject to this title.
- 601 (5)(a)(i) Until June 30, 2009, a employer that is a hospital created as a special service
- 602 district under Title 17D, Chapter 1, Special Service District Act, may make an
- 603 election of nonparticipation as an employer for retirement programs under this
- 604 chapter.

- 605 (ii) Until June 30, 2014, an employer that is licensed as a nursing care facility under  
606 Title 26B, Chapter 2, Part 2, Health Care Facility Licensing and Inspection, and  
607 created as a special service district under Title 17D, Chapter 1, Special Service  
608 District Act, in a rural area of the state may make an election of nonparticipation  
609 as an employer for retirement programs under this chapter.
- 610 (iii) On or before July 1, 2010, an employer described in Subsection (2)(e) may make  
611 an election of nonparticipation as an employer for retirement programs under this  
612 chapter.
- 613 (b) An election provided under Subsection (5)(a):
- 614 (i) is a one-time election made no later than the time specified under Subsection (5)(a);  
615 (ii) shall be documented by a resolution adopted by the governing body of the  
616 employer;  
617 (iii) is irrevocable; and  
618 (iv) applies to the employer as described in Subsection (5)(a)(i), (ii), or (iii) and to all  
619 employees of that employer.
- 620 (c) The employer making an election under Subsection (5)(a) may offer employee  
621 benefit plans for the employer's employees:
- 622 (i) under Title 49, Chapter 20, Public Employees' Benefit and Insurance Program Act;  
623 or  
624 (ii) under any other program.
- 625 (6)(a) If a participating employer purchases service credit on behalf of a regular full-time  
626 employee for service rendered prior to the participating employer's admission to this  
627 system, the participating employer shall:
- 628 (i) purchase service credit in a nondiscriminatory manner on behalf of all current and  
629 former regular full-time employees who were eligible for service credit at the time  
630 service was rendered; and  
631 (ii) comply with the provisions of Section 49-11-403, except for the requirement  
632 described in Subsection 49-11-403(2)(a).
- 633 (b) For a purchase made under this Subsection (6), an employee is not required to:
- 634 (i) have at least four years of service credit before the purchase can be made; or  
635 (ii) forfeit service credit or any defined contribution balance based on the employer  
636 contributions under any other retirement system or plan based on the period of  
637 employment for which service credit is being purchased.
- 638 (7) A public employees' association may not become a participating employer after January

639 1, 2025.

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

641 **49-22-202 . Participation of employers -- Limitations -- Exclusions -- Admission**  
642 **requirements.**

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

645 (2) The following employers may be excluded from participation in this system:

646 (a) an employer not initially admitted or included as a participating employer in this  
647 system before January 1, 1982, if:

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

651 (ii) the employer offers another collectively bargained retirement benefit and has  
652 continued to do so on an uninterrupted basis since that date;

653 (b) an employer that is a charter school authorized under Title 53G, Chapter 5, Part 3,  
654 Charter School Authorization, and does not elect to participate in accordance with  
655 Section 53G-5-407; or

656 (c) an employer that is a risk management association initially created by interlocal  
657 agreement before 1986 for the purpose of implementing a self-insurance joint  
658 protection program for the benefit of member municipalities of the association.

659 (3) If an employer that may be excluded under Subsection (2)(a)(i) elects at any time to  
660 provide or participate in any type of public or private retirement, supplemental or  
661 defined contribution plan, either directly or indirectly, except for Social Security, the  
662 employer shall be a participating employer in this system regardless of whether the  
663 employer has applied for admission under Subsection (4).

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

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

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

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

673 service was rendered; and

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

675 (6) A public employees' association may not become a participating employer after January  
676 1, 2025.

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

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

679 (1)~~(a)~~ As used in this section:

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

681 (b) "Local education agency" means the same as that term is defined in Section  
682 53E-1-102.

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

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

687 ~~(2)~~ (3) The risk manager shall:

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

690 (i) all property and casualty insurance;

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

692 (B) other professional liability insurance for public employees not covered under  
693 Subsection (3)(a)(ii)(A) if the risk manager determines there is sufficient  
694 demand;

695 ~~(ii)~~ (iii) reinsurance of property ~~and~~ , casualty insurance, and professional liability  
696 insurance; and

697 ~~(iii)~~ (iv) subject to Section 34A-2-203, workers' compensation insurance;

698 ~~(b)~~

699 (b) make rules, in accordance with Title 63G, Chapter 3, Utah Administrative  
700 Rulemaking Act:

701 (i) prescribing reasonable and objective underwriting and risk control standards for:

702 (A) all covered entities of the Risk Management Fund; ~~and~~

703 (B) management of the professional liability insurance described in Subsection  
704 (3)(a)(ii); and

705 ~~(B)~~ (C) any captive insurance company created by the risk manager;

706 (ii) prescribing the risks to be covered by the Risk Management Fund and the extent

- 707 to which these risks will be covered;
- 708 (iii) prescribing the properties, risks, deductibles, and amount limits eligible for  
709 payment out of the Risk Management Fund;
- 710 (iv) prescribing procedures for making claims and proof of loss; and
- 711 (v) establishing procedures for the resolution of disputes relating to coverage or  
712 claims, which may include binding arbitration;
- 713 (c) implement a risk management and loss prevention program for covered entities for  
714 the purpose of reducing risks, accidents, and losses to assist covered entities in  
715 fulfilling their responsibilities for risk control and safety;
- 716 (d) coordinate and cooperate with any covered entity having responsibility to manage  
717 and protect state properties, including:
- 718 (i) the state fire marshal;
- 719 (ii) the director of the Division of Facilities Construction and Management;
- 720 (iii) the Department of Public Safety;
- 721 (iv) institutions of higher education;
- 722 (v) school districts; and
- 723 (vi) charter schools;
- 724 (e) maintain records necessary to fulfill the requirements of this section;
- 725 (f) manage the Risk Management Fund and any captive insurance company created by  
726 the risk manager in accordance with economically and actuarially sound principles to  
727 produce adequate reserves for the payment of contingencies, including unpaid and  
728 unreported claims, and may purchase any insurance or reinsurance considered  
729 necessary to accomplish this objective; and
- 730 (g) inform the covered entity's governing body and the governor when any covered  
731 entity fails or refuses to comply with reasonable risk control recommendations made  
732 by the risk manager.
- 733 [~~(3)~~] (4) Before the effective date of any rule, the risk manager shall provide a copy of the  
734 rule to each covered entity affected by it.
- 735 [~~(4)~~] (5) The risk manager may not use a captive insurance company created by the risk  
736 manager to purchase:
- 737 (a) workers' compensation insurance;
- 738 (b) health insurance; or
- 739 (c) life insurance.

740 Section 17. **Repealer.**

741 This bill repeals:  
742 Section **34-20a-1, Title.**  
743 Section **34-20a-2, Definitions.**  
744 Section **34-20a-3, Fire fighters' right to bargain collectively.**  
745 Section **34-20a-4, Exclusive bargaining representative -- Selection -- Exclusions from**  
746 **negotiating team.**  
747 Section **34-20a-5, Corporate authority duty -- Collective bargaining agreement --**  
748 **No-strike clause.**  
749 Section **34-20a-6, Notice of request for collective bargaining -- Time.**  
750 Section **34-20a-7, Arbitration.**  
751 Section **34-20a-8, Procedure for arbitration.**  
752 Section **34-20a-9, Board of arbitration -- Determination -- Final and binding -- Exception**  
753 **-- Expense.**  
754 Section 18. **Effective Date.**  
755 This bill takes effect on July 1, 2025.