

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

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 collective bargaining representative to be certified by the public employees the collective bargaining representative would represent;
- requires a collective bargaining unit to conduct an election to recertify the collective bargaining representative every five years;
- provides the terms of the contract if a collective bargaining unit does not recertify the labor organization;
- 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:
 - K-12 personnel; and
 - other public employees if there is a sufficient demand; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

29 **Other Special Clauses:**

30 This bill provides a special effective date.

31 **Utah Code Sections Affected:**

32 AMENDS:

- 33 **10-3-1109**, as enacted by Laws of Utah 2003, Chapter 284
- 34 **17-33-11.5**, as enacted by Laws of Utah 2003, Chapter 284
- 35 **17B-1-804**, as last amended by Laws of Utah 2023, Chapter 15
- 36 **34-34-16**, as enacted by Laws of Utah 1969, Chapter 85
- 37 **49-11-202**, as last amended by Laws of Utah 2020, Chapter 352
- 38 **49-11-205**, as last amended by Laws of Utah 2023, Chapter 16
- 39 **49-12-202**, as last amended by Laws of Utah 2023, Chapter 328
- 40 **49-13-202**, as last amended by Laws of Utah 2023, Chapter 328
- 41 **49-22-202**, as last amended by Laws of Utah 2018, Chapter 415
- 42 **63A-4-101.5**, as last amended by Laws of Utah 2022, Chapter 169

43 ENACTS:

- 44 **34-32-202**, Utah Code Annotated 1953
- 45 **49-11-627**, Utah Code Annotated 1953

46 RENUMBERS AND AMENDS:

- 47 **34-32-101**, (Renumbered from 34-32-1, as last amended by Laws of Utah 2011, Chapter
- 48 220)
- 49 **34-32-102**, (Renumbered from 34-32-1.1, as last amended by Laws of Utah 2023,
- 50 Chapter 16)
- 51 **34-32-201**, (Renumbered from 34-32-2, as enacted by Laws of Utah 1969, Chapter 85)
- 52 **34-32-301**, (Renumbered from 34-32-3, as last amended by Laws of Utah 2018, Chapter
- 53 148)
- 54 **34-32-401**, (Renumbered from 34-32-4, as last amended by Laws of Utah 2011, Chapter
- 55 297)

56 REPEALS:

- 57 **34-20a-1**, as last amended by Laws of Utah 1995, Chapter 20
- 58 **34-20a-2**, as last amended by Laws of Utah 1995, Chapter 20
- 59 **34-20a-3**, as enacted by Laws of Utah 1975, Chapter 102
- 60 **34-20a-4**, as enacted by Laws of Utah 1975, Chapter 102
- 61 **34-20a-5**, as enacted by Laws of Utah 1975, Chapter 102
- 62 **34-20a-6**, as last amended by Laws of Utah 1995, Chapter 20

63 **34-20a-7**, as enacted by Laws of Utah 1975, Chapter 102

64 **34-20a-8**, as enacted by Laws of Utah 1975, Chapter 102

65 **34-20a-9**, as enacted by Laws of Utah 1975, Chapter 102

66

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

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

69 **10-3-1109 . Compliance with Labor Code requirements.**

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

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

72 **17-33-11.5 . Compliance with Labor Code requirements.**

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

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

75 **17B-1-804 . Compliance with Labor Code requirements.**

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

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

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

80 **Part 1. General Provisions**

81 ~~[34-32-1]~~ **34-32-101 . Definitions.**

82 [(+) As used in this chapter: [section:]

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

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

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

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

95 [(iii) "Labor organization" does not include organizations governed by the National

- 96 Labor Relations Act, 29 U.S.C. Sec. 151 et seq. or the Railroad Labor Act, 45
97 U.S.C. Sec. 151 et seq.]
- 98 [(d) "Union dues" means dues, fees, money, or other assessments required as a condition
99 of membership or participation in a labor organization.]
- 100 [(2) An employee may direct an employer, in writing, to deduct from the employee's wages
101 a specified sum for union dues, not to exceed 3% per month, to be paid to a labor
102 organization designated by the employee.]
- 103 [(3) An employer shall promptly commence or cease making deductions for union dues
104 from the wages of an employee for the benefit of a labor organization when the
105 employer receives a written communication from the employee directing the employer
106 to commence or cease making deductions.]
- 107 [(4) An employee's request that an employer cease making deductions may not be
108 conditioned upon a labor organization's:]
- 109 [(a) receipt of advance notice of the request; or]
110 [(b) prior consent to cessation of the deductions.]
- 111 [(5) A labor organization is not liable for any claim, service, or benefit that is:]
- 112 [(a) available only to a member of the labor organization; and]
113 [(b) terminated as a result of an employee's request that the employer cease making
114 deductions for union dues.]
- 115 [(6) An employee may join a labor organization or terminate membership at any time. A
116 person may not place a restriction on the time that an employee may join, or terminate
117 membership with, a labor organization.]
- 118 [(7) An employee may not waive a provision of this section.]
- 119 (1) "Class" means a group of public employees not represented by a labor organization for
120 purposes of collective bargaining.
- 121 (2) "Collective bargaining representative" means a labor organization that may engage in
122 collective bargaining on a collective bargaining unit's behalf.
- 123 (3) "Collective bargaining unit" means a group of public employees:
- 124 (a) represented by a single labor organization for purposes of collective bargaining; and
125 (b) that consists of members and not members.
- 126 (4)(a) "Labor organization" means a formal organization of any kind that:
- 127 (i) is independent of the public employer; and
128 (ii) exists for the purpose, in whole or in part, of dealing with public employers
129 concerning grievances, labor disputes, wages, rates of pay, hours of employment,

- 130 or other terms and conditions of employment.
- 131 (b) Except as provided in Subsection (4)(c), "labor organization" includes:
- 132 (i) a labor union, an employee council, or a worker committee; and
- 133 (ii) an employee association or a union for employees of both public sector and
- 134 private sector employers.
- 135 (c) "Labor organization" does not include:
- 136 (i) an organization that has entered into a labor agreement or labor protective
- 137 agreement under the Urban Mass Transportation Act, 49 U.S.C. Sec. 5333(b); or
- 138 (ii) an organization that performs a public employer's internal functions, such as
- 139 human resources or legal services, whether performed directly by the public
- 140 employer or through a third-party contractor.
- 141 (5) "Member" means a public employee who is a member of a labor organization.
- 142 (6) "Political purposes" means an act done with the intent or in a way to influence or tend to
- 143 influence, directly or indirectly, an individual to refrain from voting or to vote for or
- 144 against any candidate for public office at any caucus, political convention, primary, or
- 145 election.
- 146 (7) "Public employee" means an individual employed by a public employer.
- 147 (8) "Public employer" means an employer that is:
- 148 (a) the state of Utah or any administrative subunit of the state;
- 149 (b) a state institution of higher education; or
- 150 (c) a county, a municipality, a school district, a charter school, a special district, a
- 151 special service district, or any other political subdivision of the state.
- 152 (9) "Public money" means the same as that term is defined in Section 76-1-101.5.
- 153 (10)(a) "Public property" means real property, personal property, or intellectual property
- 154 that is owned, held, or managed by a public employer.
- 155 (b) "Public property" includes a website, computer program, record, or data that is
- 156 owned, held, or managed by a public employer.
- 157 (11) "Representative" means a labor organization representative.
- 158 (12) "Third-party election facilitator" means an entity that, as part of the entity's operations,
- 159 provides impartial election administration, including ballot preparation, tabulation, and
- 160 results certification.
- 161 (13)(a) "Union activity" means an activity that a labor organization, a member, or a
- 162 representative performs that relates to:
- 163 (i) advocating the general interests of members in wages, benefits, or terms and

- 164 conditions of employment;
 165 (ii) enforcing the labor organization's internal policies and procedures;
 166 (iii) fulfilling the labor organization's obligations; or
 167 (iv) advancing the labor organization's external relations.
 168 (b) "Union activity" does not include:
 169 (i) advocating for a public employee in a specific employment dispute; or
 170 (ii) performing a public employer's internal functions, such as human resources or
 171 legal services, whether performed directly by the public employer or through a
 172 third-party contractor.
 173 (14) "Union dues" means dues, fees, assessments, or other money required as a condition of
 174 membership or participation in a labor organization.

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

177 **[34-32-1.1] 34-32-102 . Prohibiting public employers from making payroll**
 178 **deductions for political purposes -- Recertification requirements for public employee**
 179 **collective bargaining organizations -- Prohibiting the use of public money or public**
 180 **property for union activity.**

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

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

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

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

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

196 ~~[(c) "Public employee" means a person employed by:]~~

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

- 198 [(ii) a state institution of higher education; or]
- 199 [(iii) a municipal corporation, a county, a municipality, a school district, a special
- 200 district, a special service district, or any other political subdivision of the state.]
- 201 [(d) "Public employer" means an employer that is:]
- 202 [(i) the state of Utah or any administrative subunit of the state;]
- 203 [(ii) a state institution of higher education; or]
- 204 [(iii) a municipal corporation, a county, a municipality, a school district, a special
- 205 district, a special service district, or any other political subdivision of the state.]
- 206 [(e) "Union dues" means dues, fees, assessments, or other money required as a condition
- 207 of membership or participation in a labor organization.]
- 208 [(2)] (1) A public employer may not deduct from the wages of [its] the public employer's
- 209 public employees any amounts to be paid to:
- 210 (a) a candidate as defined in Section 20A-11-101;
- 211 (b) a personal campaign committee as defined in Section 20A-11-101;
- 212 (c) a political action committee as defined in Section 20A-11-101;
- 213 (d) a political issues committee as defined in Section 20A-11-101;
- 214 (e) a registered political party as defined in Section 20A-11-101;
- 215 (f) a political fund as defined in Section 20A-11-1402; or
- 216 (g) any entity established by a labor organization to solicit, collect, or distribute money
- 217 primarily for political purposes as defined in this chapter.
- 218 (2)(a) Beginning January 1, 2026, a class that seeks to collectively bargain shall have a
- 219 collective bargaining representative, at the collective bargaining representative's
- 220 expense, engage a third-party election facilitator to conduct a secret ballot election to
- 221 determine whether the majority of the public employees in the class are in favor of
- 222 authorizing the collective bargaining representative.
- 223 (b)(i) If a majority of all the public employees in the class, that are eligible to vote on
- 224 a collective bargaining representative, votes in favor of authorizing the collective
- 225 bargaining representative, the collective bargaining representative is certified to
- 226 represent the class, making the class a collective bargaining unit.
- 227 (ii) If fewer than a majority of all the public employees in the class, that are eligible
- 228 to vote on a collective bargaining representative, vote in favor of authorizing the
- 229 collective bargaining representative, the class remains unrepresented by a
- 230 collective bargaining representative.
- 231 (3)(a) Beginning January 1, 2026, and except as provided in Subsection (7), any

232 collective bargaining unit with a current collective bargaining agreement in place
233 before January 1, 2026, shall conduct a recertification process as described in this
234 Subsection (3).

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

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

241 (c)(i) If a majority of all the public employees in the collective bargaining unit, who
242 are eligible to vote on a collective bargaining representative vote in favor of
243 certifying the collective bargaining representative, the collective bargaining
244 representative may continue representing the collective bargaining unit.

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

249 (4)(a) For collective bargaining agreements entered into before July 1, 2025, if
250 certification is terminated, the terms of any pre-existing contract between the
251 collective bargaining representative and the public employer shall remain in effect for
252 the contract term.

253 (b) For collective bargaining agreements entered into on or after July 1, 2025, if
254 certification is terminated, the terms of any pre-existing contract between the
255 collective bargaining representative and the public employer shall remain in effect for
256 the contract term except for any provisions involving the collective bargaining
257 representative, including:

258 (i) union security;

259 (ii) dues and fees; and

260 (iii) grievance and arbitration.

261 (5) A collective bargaining unit that is certified shall recertify the collective bargaining
262 representative at least every five years.

263 (6) A class that votes against recertifying an existing collective bargaining representative
264 may not conduct another collective bargaining representative secret ballot election for
265 the same collective bargaining representative or an affiliated collective bargaining

- 266 representative for 12 months after the day on which the collective bargaining
267 representative's representation ends.
- 268 (7) For a public employer with a collective bargaining agreement in effect on July 1, 2025,
269 Subsection (3) applies on the day on which the collective bargaining agreement expires,
270 renews, or is amended.
- 271 (8) The Labor Commission shall make rules governing engaging a third-party election
272 facilitator and the secret ballot election in accordance with Title 63G, Chapter 3, Utah
273 Administrative Rulemaking Act.
- 274 (9)(a) A public employer may not use public money or access public property to:
275 (i) assist or support union activity;
276 (ii) compensate a public employee or a third party for union activity; or
277 (iii) provide a public employee paid leave that is in addition to the public employee's
278 regularly accrued leave to allow the public employee to participate in union
279 activity.
- 280 (b)(i) A public employer may allow a labor organization access to the public property
281 that is real property in accordance with the public employer's policies for
282 third-party organizations.
- 283 (ii) A public employer shall maintain a written policy for access to public property
284 that is real property by a third-party organization.
- 285 (10) A labor organization, member, or representative may not receive public money or use
286 public property in a manner that violates Subsection (9).
- 287 (11) Nothing in Subsection (9) or (10) prohibits:
- 288 (a) a public employer from:
- 289 (i) spending public money or using public property for performing an activity
290 required by federal law or state law; or
- 291 (ii) compensating a public employee for annual leave, sick leave, or other leave that
292 the public employee accrues as a benefit of the public employee's employment,
293 provided the public employer gives the compensation on the same terms as any
294 other public employee;
- 295 (b) a labor organization or a representative from accessing public property that is real
296 property:
- 297 (i) in the same manner and to the same extent as the public employer allows access to
298 any other external individual or entity; or
- 299 (ii) if the real property is not accessible to the public:

- 300 (A) at the public employer's discretion; and
- 301 (B) in accordance with the public employer's policy;
- 302 (c) a public employee from engaging in discussion with other individuals in the
- 303 workplace during the public employee's break or when the public employee may
- 304 discuss non-work related matters; or
- 305 (d) a public employer spending public money for a public employee to participate in
- 306 union activity if the labor organization fully compensates the public employer for the
- 307 public money spent.

308 (12) Nothing in this section requires a public employer to engage in collective bargaining.
309 [~~(3) The attorney general may bring an action to require a public employer to comply with~~
310 ~~the requirements of this section.]~~

311 Section 6. Section ~~34-32-201~~, which is renumbered from Section 34-32-2 is renumbered
312 and amended to read:

313 **Part 2. Assignments**

314 **[34-32-2] 34-32-201 . Assignments to farm organizations -- Effect.**

315 Whenever any producer of farm products within the state executes and delivers to a
316 dealer or processor of farm products, either as a clause in a sales agreement or other instrument
317 in writing, whereby such processor or dealer is directed to deduct a sum or a rate not exceeding
318 3% of the price to be paid for any such produce, such processor or dealer shall deduct from the
319 price to be paid for any farm product being sold by any such producer to any such processor or
320 dealer, the amount so authorized and the producer or dealer shall pay the same to a farm
321 organization as assignee.

322 Section 7. Section ~~34-32-202~~ is enacted to read:

323 **34-32-202 . Assignments to labor organizations -- Effect -- Reporting**
324 **requirement.**

- 325 (1)(a) A public employee may direct a public employer, in writing, to deduct from the
- 326 public employee's wages a specified sum for union dues, not to exceed 3% per
- 327 month, to be paid to a labor organization designated by the public employee.
- 328 (b) A public employer shall verify the labor organization is accepting union dues from
- 329 the public employee before deducting the specified sum for union dues.
- 330 (2) A public employer shall promptly commence or stop making deductions for union dues
- 331 from the wages of a public employee for the benefit of a labor organization when the
- 332 public employer receives a written communication from the public employee directing
- 333 the public employer to commence or stop making deductions.

- 334 (3) A public employee's request that a public employer stop making deductions may not be
 335 conditioned upon a labor organization's:
 336 (a) receipt of advance notice of the request; or
 337 (b) consent to stop the deductions.
- 338 (4) A labor organization is not liable for any claim, service, or benefit that is:
 339 (a) available only to a member of the labor organization; and
 340 (b) terminated as a result of a public employee's request that the public employer stop
 341 making deductions for union dues.
- 342 (5)(a) A public employee may join a labor organization or terminate membership at any
 343 time.
 344 (b) A person may not place a restriction on the time that a public employee may join or
 345 terminate participation with a labor organization.
- 346 (6) A public employee may not waive a provision of this section.
- 347 (7) Beginning July 1, 2027, on July 1 of each year, a labor organization that receives union
 348 dues from a public employee through payroll deduction shall report to the labor
 349 organization's members and to the Labor Commission for the preceding calendar year:
 350 (a) the amount the labor organization spent on:
 351 (i) representation of members in disputes;
 352 (ii) lobbying;
 353 (iii) political donations and other political activities;
 354 (iv) collective bargaining unit expenses; and
 355 (v) payments, dues, and contributions to affiliate or umbrella organizations; and
 356 (b) the number of members in the labor organization.
- 357 (8) Nothing in this section provides public employees a right to collective bargaining.

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

360 **Part 3. Enforcement**

361 **[34-32-3] 34-32-301 . Failure to comply -- Penalty -- Attorney general to enforce.**

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

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

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Part 4. Exceptions

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

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

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

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

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

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

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

- (1) There is established the Utah State Retirement Board composed of seven board members determined as follows:
- (a) ~~[Four]~~ four board members, with experience in investments or banking, shall be appointed by the governor from the general public[-] ;
- (b) ~~[One]~~ one board member shall be a school employee appointed by the governor~~[from at least three nominations submitted by the governing board of the school employees' association that is representative of a majority of the school employees who are members of a system administered by the board.]~~ ;
- (c) ~~[One]~~ one board member shall be a public employee appointed by the governor~~[from at least three nominations submitted by the governing board of the public employee association that is representative of a majority of the public employees who are members of a system administered by the board.]~~ ; and
- (d) ~~[One]~~ one board member shall be the state treasurer.
- (2) Four board members constitute a quorum for the transaction of business.
- (3)(a) All appointments to the board shall be made on a nonpartisan basis, with the advice and consent of the Senate.
- (b) Board members shall serve until their successors are appointed and take the constitutional oath of office.
- (c) When a vacancy occurs on the board for any reason, the replacement shall be

402 appointed for the unexpired term.

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

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

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

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

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

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

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

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

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

419 (iii) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
420 63A-3-107.

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

422 **49-11-205 . Membership Council established -- Members -- Chair -- Duties --**
423 **Expenses and per diem.**

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

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

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

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

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

435 [(c)] (iii) two council members shall be public employees ~~[selected by the governing~~

- 436 board of the association representative of a majority of the public employees]who
437 are members of a system administered by the board;
- 438 (iv) one council member shall be a representative of members of the Public Safety
439 Retirement System;
- 440 (v) one council member shall be a representative of paid professional firefighters who
441 are members of the Firefighters' Retirement System;
- 442 (vi) one council member shall be a retiree representing retirees, who are not public
443 education retirees, from the Public Employees' Contributory Retirement System,
444 Public Employees' Noncontributory Retirement System, and New Public
445 Employees' Tier II Contributory Retirement System;
- 446 (vii) one council member shall be a retiree representing the largest number of public
447 education retirees; and
- 448 (viii) one council member shall be a school business official representative of a
449 majority of the school business officials from public education employers who
450 participate in a system administered by the board.
- 451 [~~(g) one council member shall be a representative of members of the Public Safety~~
452 ~~Retirement Systems selected by the governing board of the association representative~~
453 ~~of the majority of peace officers who are members of the Public Safety Retirement~~
454 ~~Systems;]~~
- 455 [~~(h) one council member shall be a representative of members of the Firefighters'~~
456 ~~Retirement System selected by the governing board of the association representative~~
457 ~~of the majority of paid professional firefighters who are members of the Firefighters'~~
458 ~~Retirement System;]~~
- 459 [~~(i) one council member shall be a retiree selected by the governing board of the~~
460 ~~association representing the largest number of retirees, who are not public education~~
461 ~~retirees, from the Public Employees' Contributory, Public Employees'~~
462 ~~Noncontributory, and New Public Employees' Tier II Contributory Retirement~~
463 ~~Systems;]~~
- 464 [~~(j) one council member shall be a retiree selected by the governing board of the~~
465 ~~association representing the largest number of public education retirees;]~~
- 466 [~~(k) one council member shall be a school business official selected by the governing~~
467 ~~board of the association representative of a majority of the school business officials~~
468 ~~from public education employers who participate in a system administered by the~~
469 ~~board; and]~~

- 470 (c) Four members for the Membership Council are as follows:
- 471 [~~(d)~~] (i) one council member shall be a municipal officer or employee selected by the
- 472 governing board of the association representative of a majority of the
- 473 municipalities who participate in a system administered by the board;
- 474 [~~(e)~~] (ii) one council member shall be a county officer or employee selected by the
- 475 governing board of the association representative of a majority of counties who
- 476 participate in a system administered by the board;
- 477 [~~(f)~~] (iii) one council member shall be a representative of members of the Judges'
- 478 Noncontributory Retirement System selected by the Judicial Council; and
- 479 [~~(g)~~] (iv) one council member shall be a special district officer or employee selected
- 480 by the governing board of the association representing the largest number of
- 481 special service districts and special districts who participate in a system
- 482 administered by the board.
- 483 (3)(a) Each entity granted authority to select council members under Subsection (2) may
- 484 also revoke the selection at any time.
- 485 (b) Each term on the council shall be for a period of four years, subject to Subsection
- 486 (3)(a).
- 487 (c) Each term begins on July 1 and expires on June 30.
- 488 (d) When a vacancy occurs on the council for any reason, the replacement shall be
- 489 selected for the remainder of the unexpired term.
- 490 (4) The council shall annually designate one council member as chair.
- 491 (5) The council shall:
- 492 (a) recommend to the board and to the Legislature benefits and policies for members of
- 493 any system or plan administered by the board;
- 494 (b) recommend procedures and practices to improve the administration of the systems
- 495 and plans and the public employee relations responsibilities of the board and office;
- 496 (c) examine the record of all decisions affecting retirement benefits made by a hearing
- 497 officer under Section 49-11-613;
- 498 (d) submit nominations to the board for the position of executive director if that position
- 499 is vacant;
- 500 (e) advise and counsel with the board and the director on policies affecting members of
- 501 the various systems administered by the office; and
- 502 (f) perform other duties assigned to it by the board.
- 503 (6) A member of the council may not receive compensation or benefits for the member's

504 service, but may receive per diem and travel expenses in accordance with:

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

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

507 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
508 63A-3-107.

509 Section 13. Section **49-11-627** is enacted to read:

510 **49-11-627 . Withdrawing public employees' association -- Participation election**
511 **date -- Withdrawal costs -- Rulemaking.**

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

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

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

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

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

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

528 (3) The withdrawing entity shall:

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

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

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

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

- 538 (b) arrangements for the payment of the costs described under Subsection (2)(d).
539 Section 14. Section **49-12-202** is amended to read:
540 **49-12-202 . Participation of employers -- Limitations -- Exclusions -- Admission**
541 **requirements -- Exceptions -- Nondiscrimination requirements.**
- 542 (1)(a) Unless excluded under Subsection (2), an employer is a participating employer
543 and may not withdraw from participation in this system.
- 544 (b) In addition to participation in this system, a participating employer may provide or
545 participate in public or private retirement, supplemental or defined contribution plan,
546 either directly or indirectly, for the participating employer's employees.
- 547 (2) The following employers may be excluded from participation in this system:
- 548 (a) an employer not initially admitted or included as a participating employer in this
549 system prior to January 1, 1982, if:
- 550 (i) the employer elects not to provide or participate in any type of private or public
551 retirement, supplemental or defined contribution plan, either directly or indirectly,
552 for the employer's employees, except for Social Security; or
- 553 (ii) the employer offers another collectively bargained retirement benefit and has
554 continued to do so on an uninterrupted basis since that date;
- 555 (b) an employer that is a charter school authorized under Title 53G, Chapter 5, Part 3,
556 Charter School Authorization, and does not elect to participate in accordance with
557 Section 53G-5-407;
- 558 (c) an employer that is a hospital created as a special service district under Title 17D,
559 Chapter 1, Special Service District Act, that makes an election of nonparticipation in
560 accordance with Subsection (4); or
- 561 (d) an employer that is licensed as a nursing care facility under Title 26B, Chapter 2,
562 Part 2, Health Care Facility Licensing and Inspection, and created as a special service
563 district under Title 17D, Chapter 1, Special Service District Act, in a rural area of the
564 state that makes an election of nonparticipation in accordance with Subsection (4).
- 565 (3)(a) An employer who did not become a participating employer in this system prior to
566 July 1, 1986, may not participate in this system.
- 567 (b) A public employees' association may not become a participating employer after
568 January 1, 2025.
- 569 (4)(a)(i) Until June 30, 2009, a employer that is a hospital created as a special service
570 district under Title 17D, Chapter 1, Special Service District Act, may make an
571 election of nonparticipation as an employer for retirement programs under this

572 chapter.

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

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

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

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

582 (iii) is irrevocable; and

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

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

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

588 or

589 (ii) under any other program.

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

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

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

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

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

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

603 Section 15. Section **49-13-202** is amended to read:

604 **49-13-202 . Participation of employers -- Limitations -- Exclusions -- Admission**
605 **requirements -- Nondiscrimination requirements -- Service credit purchases.**

- 606 (1)(a) Unless excluded under Subsection (2), an employer is a participating employer
607 and may not withdraw from participation in this system.
- 608 (b) In addition to participation in this system, a participating employer may provide or
609 participate in any additional public or private retirement, supplemental or defined
610 contribution plan, either directly or indirectly, for the participating employer's
611 employees.
- 612 (2) The following employers may be excluded from participation in this system:
- 613 (a) an employer not initially admitted or included as a participating employer in this
614 system before January 1, 1982, if:
- 615 (i) the employer elects not to provide or participate in any type of private or public
616 retirement, supplemental or defined contribution plan, either directly or indirectly,
617 for the employer's employees, except for Social Security; or
- 618 (ii) the employer offers another collectively bargained retirement benefit and has
619 continued to do so on an uninterrupted basis since that date;
- 620 (b) an employer that is a charter school authorized under Title 53G, Chapter 5, Part 3,
621 Charter School Authorization, and does not elect to participate in accordance with
622 Section 53G-5-407;
- 623 (c) an employer that is a hospital created as a special service district under Title 17D,
624 Chapter 1, Special Service District Act, that makes an election of nonparticipation in
625 accordance with Subsection (5);
- 626 (d) an employer that is licensed as a nursing care facility under Title 26B, Chapter 2,
627 Part 2, Health Care Facility Licensing and Inspection, and created as a special service
628 district under Title 17D, Chapter 1, Special Service District Act, in a rural area of the
629 state that makes an election of nonparticipation in accordance with Subsection (5); or
- 630 (e) an employer that is a risk management association initially created by interlocal
631 agreement before 1986 for the purpose of implementing a self-insurance joint
632 protection program for the benefit of member municipalities of the association.
- 633 (3) If an employer that may be excluded under Subsection (2)(a)(i) elects at any time to
634 provide or participate in any type of public or private retirement, supplemental or
635 defined contribution plan, either directly or indirectly, except for Social Security, the
636 employer shall be a participating employer in this system regardless of whether the
637 employer has applied for admission under Subsection (4).
- 638 (4)(a) An employer may, by resolution of the employer's governing body, apply for
639 admission to this system.

- 640 (b) Upon approval of the resolution by the board, the employer is a participating
641 employer in this system and is subject to this title.
- 642 (5)(a)(i) Until June 30, 2009, a employer that is a hospital created as a special service
643 district under Title 17D, Chapter 1, Special Service District Act, may make an
644 election of nonparticipation as an employer for retirement programs under this
645 chapter.
- 646 (ii) Until June 30, 2014, an employer that is licensed as a nursing care facility under
647 Title 26B, Chapter 2, Part 2, Health Care Facility Licensing and Inspection, and
648 created as a special service district under Title 17D, Chapter 1, Special Service
649 District Act, in a rural area of the state may make an election of nonparticipation
650 as an employer for retirement programs under this chapter.
- 651 (iii) On or before July 1, 2010, an employer described in Subsection (2)(e) may make
652 an election of nonparticipation as an employer for retirement programs under this
653 chapter.
- 654 (b) An election provided under Subsection (5)(a):
- 655 (i) is a one-time election made no later than the time specified under Subsection (5)(a);
656 (ii) shall be documented by a resolution adopted by the governing body of the
657 employer;
658 (iii) is irrevocable; and
659 (iv) applies to the employer as described in Subsection (5)(a)(i), (ii), or (iii) and to all
660 employees of that employer.
- 661 (c) The employer making an election under Subsection (5)(a) may offer employee
662 benefit plans for the employer's employees:
- 663 (i) under Title 49, Chapter 20, Public Employees' Benefit and Insurance Program Act;
664 or
665 (ii) under any other program.
- 666 (6)(a) If a participating employer purchases service credit on behalf of a regular full-time
667 employee for service rendered prior to the participating employer's admission to this
668 system, the participating employer shall:
- 669 (i) purchase service credit in a nondiscriminatory manner on behalf of all current and
670 former regular full-time employees who were eligible for service credit at the time
671 service was rendered; and
672 (ii) comply with the provisions of Section 49-11-403, except for the requirement
673 described in Subsection 49-11-403(2)(a).

- 674 (b) For a purchase made under this Subsection (6), an employee is not required to:
675 (i) have at least four years of service credit before the purchase can be made; or
676 (ii) forfeit service credit or any defined contribution balance based on the employer
677 contributions under any other retirement system or plan based on the period of
678 employment for which service credit is being purchased.

679 (7) A public employees' association may not become a participating employer after January
680 1, 2025.

681 Section 16. Section **49-22-202** is amended to read:

682 **49-22-202 . Participation of employers -- Limitations -- Exclusions -- Admission**
683 **requirements.**

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

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

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

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

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

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

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

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

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

707 (b) Upon approval of the resolution by the board, the employer is a participating

708 employer in this system and is subject to this title.

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

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

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

716 (6) A public employees' association may not become a participating employer after January
717 1, 2025.

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

719 **63A-4-101.5 . Risk manager -- Appointment -- Duties.**

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

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

722 (b) "Local education agency" means the same as that term is defined in Section
723 53E-1-102.

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

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

728 ~~(2)~~ (3) The risk manager shall:

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

731 (i) all property and casualty insurance;

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

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

736 ~~(iii)~~ (iii) reinsurance of property ~~and~~ , casualty insurance, and professional liability
737 insurance; and

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

739 ~~(b)~~

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

- 742 (i) prescribing reasonable and objective underwriting and risk control standards for:
743 (A) all covered entities of the Risk Management Fund; ~~and~~
744 (B) management of the professional liability insurance described in Subsection
745 (3)(a)(ii); and
746 ~~[(B)] (C)~~ any captive insurance company created by the risk manager;
- 747 (ii) prescribing the risks to be covered by the Risk Management Fund and the extent
748 to which these risks will be covered;
- 749 (iii) prescribing the properties, risks, deductibles, and amount limits eligible for
750 payment out of the Risk Management Fund;
- 751 (iv) prescribing procedures for making claims and proof of loss; and
752 (v) establishing procedures for the resolution of disputes relating to coverage or
753 claims, which may include binding arbitration;
- 754 (c) implement a risk management and loss prevention program for covered entities for
755 the purpose of reducing risks, accidents, and losses to assist covered entities in
756 fulfilling their responsibilities for risk control and safety;
- 757 (d) coordinate and cooperate with any covered entity having responsibility to manage
758 and protect state properties, including:
759 (i) the state fire marshal;
760 (ii) the director of the Division of Facilities Construction and Management;
761 (iii) the Department of Public Safety;
762 (iv) institutions of higher education;
763 (v) school districts; and
764 (vi) charter schools;
- 765 (e) maintain records necessary to fulfill the requirements of this section;
- 766 (f) manage the Risk Management Fund and any captive insurance company created by
767 the risk manager in accordance with economically and actuarially sound principles to
768 produce adequate reserves for the payment of contingencies, including unpaid and
769 unreported claims, and may purchase any insurance or reinsurance considered
770 necessary to accomplish this objective; and
- 771 (g) inform the covered entity's governing body and the governor when any covered
772 entity fails or refuses to comply with reasonable risk control recommendations made
773 by the risk manager.
- 774 ~~[(3)]~~ (4) Before the effective date of any rule, the risk manager shall provide a copy of the
775 rule to each covered entity affected by it.

776 [(4)] (5) The risk manager may not use a captive insurance company created by the risk
777 manager to purchase:

778 (a) workers' compensation insurance;

779 (b) health insurance; or

780 (c) life insurance.

781 Section 18. **Repealer.**

782 This bill repeals:

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

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

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

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

788 Section **34-20a-5, Corporate authority duty -- Collective bargaining agreement --**
789 **No-strike clause.**

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

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

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

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

795 Section 19. **Effective Date.**

796 This bill takes effect on July 1, 2025.