

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;
- prohibits a public employer from recognizing a labor organization as a bargaining agent for public employees;
- prohibits a public employer from entering into collective bargaining contracts;
- prohibits using public money or public property to assist, promote, or deter union organizing or administration;
- excludes new 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

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

29 AMENDS:

- 30 **10-3-1109**, as enacted by Laws of Utah 2003, Chapter 284
31 **17-33-11.5**, as enacted by Laws of Utah 2003, Chapter 284
32 **17B-1-804**, as last amended by Laws of Utah 2023, Chapter 15
33 **34-34-16**, as enacted by Laws of Utah 1969, Chapter 85
34 **49-11-202**, as last amended by Laws of Utah 2020, Chapter 352
35 **49-11-205**, as last amended by Laws of Utah 2023, Chapter 16
36 **49-12-202**, as last amended by Laws of Utah 2023, Chapter 328
37 **49-13-202**, as last amended by Laws of Utah 2023, Chapter 328
38 **49-22-202**, as last amended by Laws of Utah 2018, Chapter 415
39 **63A-4-101.5**, as last amended by Laws of Utah 2022, Chapter 169

40 ENACTS:

- 41 **34-32-202**, Utah Code Annotated 1953
42 **49-11-627**, Utah Code Annotated 1953

43 RENUMBERS AND AMENDS:

- 44 **34-32-101**, (Renumbered from 34-32-1, as last amended by Laws of Utah 2011, Chapter
45 220)
46 **34-32-102**, (Renumbered from 34-32-1.1, as last amended by Laws of Utah 2023,
47 Chapter 16)
48 **34-32-201**, (Renumbered from 34-32-2, as enacted by Laws of Utah 1969, Chapter 85)
49 **34-32-301**, (Renumbered from 34-32-3, as last amended by Laws of Utah 2018, Chapter
50 148)
51 **34-32-401**, (Renumbered from 34-32-4, as last amended by Laws of Utah 2011, Chapter
52 297)

53 REPEALS:

- 54 **34-20a-1**, as last amended by Laws of Utah 1995, Chapter 20
55 **34-20a-2**, as last amended by Laws of Utah 1995, Chapter 20
56 **34-20a-3**, as enacted by Laws of Utah 1975, Chapter 102
57 **34-20a-4**, as enacted by Laws of Utah 1975, Chapter 102
58 **34-20a-5**, as enacted by Laws of Utah 1975, Chapter 102
59 **34-20a-6**, as last amended by Laws of Utah 1995, Chapter 20
60 **34-20a-7**, as enacted by Laws of Utah 1975, Chapter 102
61 **34-20a-8**, as enacted by Laws of Utah 1975, Chapter 102
62 **34-20a-9**, as enacted by Laws of Utah 1975, Chapter 102

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

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

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

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

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

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

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

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

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

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

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

CHAPTER 32. PUBLIC SECTOR LABOR ORGANIZATIONS

Part 1. General Provisions

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

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

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

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

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

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

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

~~[(d) "Union dues" means dues, fees, money, or other assessments required as a condition~~

96 of membership or participation in a labor organization.]

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

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

104 [(4) An employee's request that an employer cease making deductions may not be
105 conditioned upon a labor organization's:]

106 [(a) receipt of advance notice of the request; or]

107 [(b) prior consent to cessation of the deductions.]

108 [(5) A labor organization is not liable for any claim, service, or benefit that is:]

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

110 [(b) terminated as a result of an employee's request that the employer cease making
111 deductions for union dues.]

112 [(6) An employee may join a labor organization or terminate membership at any time. A
113 person may not place a restriction on the time that an employee may join, or terminate
114 membership with, a labor organization.]

115 [(7) An employee may not waive a provision of this section.]

116 (1) "Class" means a group of public employees not represented by a labor organization for
117 purposes of collective bargaining.

118 (2) "Collective bargaining unit" means a group of public employees:

119 (a) represented by a single labor organization for purposes of collective bargaining; and

120 (b) that consists of members and not members.

121 (3)(a) "Labor organization" means a formal organization of any kind that:

122 (i) is independent of the public employer; and

123 (ii) exists for the purpose, in whole or in part, of dealing with public employers
124 concerning grievances, labor disputes, wages, rates of pay, hours of employment,
125 or other terms and conditions of employment.

126 (b) Except as provided in Subsection (4)(c), "labor organization" includes:

127 (i) a labor union, an employee council, or a worker committee; and

128 (ii) an employee association or a union for employees of both public sector and
129 private sector employers.

- 130 (c) "Labor organization" does not include:
- 131 (i) an organization that has entered into a labor agreement or labor protective
- 132 agreement under the Urban Mass Transportation Act, 49 U.S.C. Sec. 5333(b); or
- 133 (ii) an organization that performs a public employer's internal functions, such as
- 134 human resources or legal services, whether performed directly by the public
- 135 employer or through a third-party contractor.
- 136 (4) "Member" means a public employee who is a member of a labor organization.
- 137 (5) "Political purposes" means an act done with the intent or in a way to influence or tend to
- 138 influence, directly or indirectly, an individual to refrain from voting or to vote for or
- 139 against any candidate for public office at any caucus, political convention, primary, or
- 140 election.
- 141 (6) "Public employee" means an individual employed by a public employer.
- 142 (7) "Public employer" means an employer that is:
- 143 (a) the state of Utah or any administrative subunit of the state;
- 144 (b) a state institution of higher education; or
- 145 (c) a county, a municipality, a school district, a charter school, a special district, a
- 146 special service district, or any other political subdivision of the state.
- 147 (8) "Public money" means the same as that term is defined in Section 76-1-101.5.
- 148 (9)(a) "Public property" means real property, personal property, or intellectual property
- 149 that is owned, held, or managed by a public employer.
- 150 (b) "Public property" includes a website, computer program, record, or data that is
- 151 owned, held, or managed by a public employer.
- 152 (10) "Representative" means a labor organization representative.
- 153 (11)(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.
- 160 (b) "Union activity" does not include:
- 161 (i) advocating for a public employee in a specific employment dispute; or
- 162 (ii) performing a public employer's internal functions, such as human resources or
- 163 legal services, whether performed directly by the public employer or through a

164 third-party contractor.

165 (12) "Union dues" means dues, fees, assessments, or other money required as a condition of
 166 membership or participation in a labor organization.

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

169 **[34-32-1.1] 34-32-102 . Prohibiting public employers from making payroll**
 170 **deductions for political purposes -- Prohibiting public employers from collective**
 171 **bargaining -- Prohibiting the use of public money or public property for union activity.**

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

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

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

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

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

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

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

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

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

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

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

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

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

197 [(e) "Union dues" means dues, fees, assessments, or other money required as a condition

- 198 ~~of membership or participation in a labor organization.]~~
- 199 ~~[(2)] (1) A public employer may not deduct from the wages of [its] the public employer's~~
200 ~~public employees any amounts to be paid to:~~
- 201 ~~(a) a candidate as defined in Section 20A-11-101;~~
 - 202 ~~(b) a personal campaign committee as defined in Section 20A-11-101;~~
 - 203 ~~(c) a political action committee as defined in Section 20A-11-101;~~
 - 204 ~~(d) a political issues committee as defined in Section 20A-11-101;~~
 - 205 ~~(e) a registered political party as defined in Section 20A-11-101;~~
 - 206 ~~(f) a political fund as defined in Section 20A-11-1402; or~~
 - 207 ~~(g) any entity established by a labor organization to solicit, collect, or distribute money~~
208 ~~primarily for political purposes as defined in this chapter.~~
- 209 ~~(2)(a) Notwithstanding Section 34-19-1, a public employer may not recognize a labor~~
210 ~~organization as a bargaining agent of public employees or collectively bargain or~~
211 ~~enter into any collective bargaining contract with a labor organization or a~~
212 ~~representative.~~
- 213 ~~(b)(i) For a public employer with a collective bargaining agreement in effect on July~~
214 ~~1, 2025, Subsection (2)(a) applies on the day on which the collective bargaining~~
215 ~~agreement expires.~~
 - 216 ~~(ii) A public employer may not enter into a new collective bargaining agreement or~~
217 ~~renew, extend, or modify an existing collective bargaining agreement.~~
- 218 ~~(3)(a) A public employer may not use public money or access public property to:~~
- 219 ~~(i) assist or support union activity;~~
 - 220 ~~(ii) compensate a public employee or a third party for union activity; or~~
 - 221 ~~(iii) provide a public employee paid leave that is in addition to the public employee's~~
222 ~~regularly accrued leave to allow the public employee to participate in union~~
223 ~~activity.~~
- 224 ~~(b)(i) A public employer may allow a labor organization access to the public property~~
225 ~~that is real property in accordance with the public employer's policies for~~
226 ~~third-party organizations.~~
 - 227 ~~(ii) A public employer shall maintain a written policy for access to public property~~
228 ~~that is real property by a third-party organization.~~
- 229 ~~(4) A labor organization, member, or representative may not receive public money or use~~
230 ~~public property in a manner that violates Subsection (3).~~
- 231 ~~(5) Nothing in Subsection (3) or (4) prohibits:~~

- 232 (a) a public employer from:
- 233 (i) spending public money or using public property for performing an activity
- 234 required by federal law or state law; or
- 235 (ii) compensating a public employee for annual leave, sick leave, or other leave that
- 236 the public employee accrues as a benefit of the public employee's employment,
- 237 provided the public employer gives the compensation on the same terms as any
- 238 other public employee;
- 239 (b) a labor organization or a representative from accessing public property that is real
- 240 property:
- 241 (i) in the same manner and to the same extent as the public employer allows access to
- 242 any other external individual or entity; or
- 243 (ii) if the real property is not accessible to the public:
- 244 (A) at the public employer's discretion; and
- 245 (B) in accordance with the public employer's policy;
- 246 (c) a public employee from engaging in discussion with other individuals in the
- 247 workplace during the public employee's break or when the public employee may
- 248 discuss non-work related matters; or
- 249 (d) a public employer spending public money for a public employee to participate in
- 250 union activity if the labor organization fully compensates the public employer for the
- 251 public money spent.

252 [~~3) The attorney general may bring an action to require a public employer to comply with~~

253 ~~the requirements of this section.]~~

254 Section 6. Section **34-32-201**, which is renumbered from Section 34-32-2 is renumbered

255 and amended to read:

256 Part 2. Assignments

257 ~~[34-32-2]~~ **34-32-201 . Assignments to farm organizations -- Effect.**

258 Whenever any producer of farm products within the state executes and delivers to a

259 dealer or processor of farm products, either as a clause in a sales agreement or other instrument

260 in writing, whereby such processor or dealer is directed to deduct a sum or a rate not exceeding

261 3% of the price to be paid for any such produce, such processor or dealer shall deduct from the

262 price to be paid for any farm product being sold by any such producer to any such processor or

263 dealer, the amount so authorized and the producer or dealer shall pay the same to a farm

264 organization as assignee.

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

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

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

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

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

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

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

280 (b) consent to stop the deductions.

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

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

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

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

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

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

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

294 (a) representation of members in disputes;

295 (b) lobbying;

296 (c) political donations and other political activities; and

297 (d) payments, dues, and contributions to affiliate or umbrella organizations.

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

299 Section 8. Section **34-32-301**, which is renumbered from Section 34-32-3 is renumbered

300 and amended to read:

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Part 3. Enforcement

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

303 (1) Any employer, dealer, or processor who willfully fails to comply with the duties
304 imposed by ~~[this chapter]~~ Section 34-32-102 is guilty of a class B misdemeanor.

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

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

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Part 4. Exceptions

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

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

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

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

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

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

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

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

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

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

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

332 (c) ~~[One]~~ one board member shall be a public employee appointed by the governor[

333 ~~from at least three nominations submitted by the governing board of the public~~
 334 ~~employee association that is representative of a majority of the public employees who~~
 335 ~~are members of a system administered by the board.] ; and~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

360 (iii) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
 361 63A-3-107.

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

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

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

366 (2)(a) The Membership Council shall be composed of 15 council members~~[-selected as~~

367 follows:] .

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

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

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

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

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

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

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

387 (vii) one council member shall be a retiree representing the largest number of public
388 education retirees; and

389 (viii) one council member shall be a school business official representative of a
390 majority of the school business officials from public education employers who
391 participate in a system administered by the board.

392 ~~[(g) one council member shall be a representative of members of the Public Safety~~
393 ~~Retirement Systems selected by the governing board of the association representative~~
394 ~~of the majority of peace officers who are members of the Public Safety Retirement~~
395 ~~Systems;]~~

396 ~~[(h) one council member shall be a representative of members of the Firefighters'~~
397 ~~Retirement System selected by the governing board of the association representative~~
398 ~~of the majority of paid professional firefighters who are members of the Firefighters'~~
399 ~~Retirement System;]~~

400 ~~[(i) one council member shall be a retiree selected by the governing board of the~~

401 ~~association representing the largest number of retirees, who are not public education~~
 402 ~~retirees, from the Public Employees' Contributory, Public Employees'~~
 403 ~~Noncontributory, and New Public Employees' Tier II Contributory Retirement~~
 404 ~~Systems;]~~

405 ~~[(j) one council member shall be a retiree selected by the governing board of the~~
 406 ~~association representing the largest number of public education retirees;]~~

407 ~~[(k) one council member shall be a school business official selected by the governing~~
 408 ~~board of the association representative of a majority of the school business officials~~
 409 ~~from public education employers who participate in a system administered by the~~
 410 ~~board; and]~~

411 (c) Four members for the Membership Council are as follows:

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

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

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

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

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

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

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

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

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

432 (5) The council shall:

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

- 435 (b) recommend procedures and practices to improve the administration of the systems
436 and plans and the public employee relations responsibilities of the board and office;
437 (c) examine the record of all decisions affecting retirement benefits made by a hearing
438 officer under Section 49-11-613;
439 (d) submit nominations to the board for the position of executive director if that position
440 is vacant;
441 (e) advise and counsel with the board and the director on policies affecting members of
442 the various systems administered by the office; and
443 (f) perform other duties assigned to it by the board.
- 444 (6) A member of the council may not receive compensation or benefits for the member's
445 service, but may receive per diem and travel expenses in accordance with:
446 (a) Section 63A-3-106;
447 (b) Section 63A-3-107; and
448 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
449 63A-3-107.

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

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

- 453 (1) As used in this section, "withdrawing entity" means a public employees' association that
454 participates in a system or plan under this title on January 1, 2025.
- 455 (2) Notwithstanding any other provision of this title, a withdrawing entity shall provide for
456 the participation of the withdrawing entity's employees with that system or plan as
457 follows:
- 458 (a) the withdrawing entity shall determine a date that is before July 1, 2027, on which
459 the withdrawing entity shall complete withdrawal under Subsection (3);
- 460 (b) the withdrawing entity shall provide to the office notice of the withdrawing entity's
461 intent to enter into an agreement described in Subsection (2)(c);
- 462 (c) the withdrawing entity and the office shall enter into an intent to withdraw agreement
463 to document a good faith arrangement to complete a withdrawal under this section;
464 and
- 465 (d) subject to Subsection (3), the withdrawing entity shall pay to the office any
466 reasonable actuarial and administrative costs determined by the office, including an
467 actuarially determined short-fall liability contribution and a contingency payment to
468 provide financial protection to the remaining participating employers.

- 469 (3) The withdrawing entity shall:
- 470 (a) continue the withdrawing entity's participation for all of the withdrawing entity's
- 471 current employees who are covered by a system or plan on the date set under
- 472 Subsection (2)(a); and
- 473 (b) withdraw from participation in all systems and plans for employees initially entering
- 474 employment with the withdrawing entity, beginning on the date set under Subsection
- 475 (2)(a).
- 476 (4) Before a withdrawing entity may withdraw under this section, the withdrawing entity
- 477 and the office shall enter into an agreement on:
- 478 (a) the costs described under Subsection (2)(d); and
- 479 (b) arrangements for the payment of the costs described under Subsection (2)(d).
- 480 Section 14. Section **49-12-202** is amended to read:
- 481 **49-12-202 . Participation of employers -- Limitations -- Exclusions -- Admission**
- 482 **requirements -- Exceptions -- Nondiscrimination requirements.**
- 483 (1)(a) Unless excluded under Subsection (2), an employer is a participating employer
- 484 and may not withdraw from participation in this system.
- 485 (b) In addition to participation in this system, a participating employer may provide or
- 486 participate in public or private retirement, supplemental or defined contribution plan,
- 487 either directly or indirectly, for the participating employer's employees.
- 488 (2) The following employers may be excluded from participation in this system:
- 489 (a) an employer not initially admitted or included as a participating employer in this
- 490 system prior to January 1, 1982, if:
- 491 (i) the employer elects not to provide or participate in any type of private or public
- 492 retirement, supplemental or defined contribution plan, either directly or indirectly,
- 493 for the employer's employees, except for Social Security; or
- 494 (ii) the employer offers another collectively bargained retirement benefit and has
- 495 continued to do so on an uninterrupted basis since that date;
- 496 (b) an employer that is a charter school authorized under Title 53G, Chapter 5, Part 3,
- 497 Charter School Authorization, and does not elect to participate in accordance with
- 498 Section 53G-5-407;
- 499 (c) an employer that is a hospital created as a special service district under Title 17D,
- 500 Chapter 1, Special Service District Act, that makes an election of nonparticipation in
- 501 accordance with Subsection (4); or
- 502 (d) an employer that is licensed as a nursing care facility under Title 26B, Chapter 2,

503 Part 2, Health Care Facility Licensing and Inspection, and created as a special service
504 district under Title 17D, Chapter 1, Special Service District Act, in a rural area of the
505 state that makes an election of nonparticipation in accordance with Subsection (4).

506 (3)(a) An employer who did not become a participating employer in this system prior to
507 July 1, 1986, may not participate in this system.

508 (b) A public employees' association may not become a participating employer after
509 January 1, 2025.

510 (4)(a)(i) Until June 30, 2009, a employer that is a hospital created as a special service
511 district under Title 17D, Chapter 1, Special Service District Act, may make an
512 election of nonparticipation as an employer for retirement programs under this
513 chapter.

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

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

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

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

523 (iii) is irrevocable; and

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

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

528 (i) under [~~Title 49, Chapter 20, Public Employees' Benefit and Insurance Program Act~~]

529 Chapter 20, Public Employees' Benefit and Insurance Program Act; or

530 (ii) under any other program.

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

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

- 537 (ii) comply with the provisions of Section 49-11-403, except for the requirement
538 described in Subsection 49-11-403(2)(a).
- 539 (b) For a purchase made under this Subsection (5), an employee is not required to:
- 540 (i) have at least four years of service credit before the purchase can be made; or
541 (ii) forfeit service credit or any defined contribution balance based on the employer
542 contributions under any other retirement system or plan based on the period of
543 employment for which service credit is being purchased.

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

545 **49-13-202 . Participation of employers -- Limitations -- Exclusions -- Admission**
546 **requirements -- Nondiscrimination requirements -- Service credit purchases.**

- 547 (1)(a) Unless excluded under Subsection (2), an employer is a participating employer
548 and may not withdraw from participation in this system.
- 549 (b) In addition to participation in this system, a participating employer may provide or
550 participate in any additional public or private retirement, supplemental or defined
551 contribution plan, either directly or indirectly, for the participating employer's
552 employees.
- 553 (2) The following employers may be excluded from participation in this system:
- 554 (a) an employer not initially admitted or included as a participating employer in this
555 system before January 1, 1982, if:
- 556 (i) the employer elects not to provide or participate in any type of private or public
557 retirement, supplemental or defined contribution plan, either directly or indirectly,
558 for the employer's employees, except for Social Security; or
- 559 (ii) the employer offers another collectively bargained retirement benefit and has
560 continued to do so on an uninterrupted basis since that date;
- 561 (b) an employer that is a charter school authorized under Title 53G, Chapter 5, Part 3,
562 Charter School Authorization, and does not elect to participate in accordance with
563 Section 53G-5-407;
- 564 (c) an employer that is a hospital created as a special service district under Title 17D,
565 Chapter 1, Special Service District Act, that makes an election of nonparticipation in
566 accordance with Subsection (5);
- 567 (d) an employer that is licensed as a nursing care facility under Title 26B, Chapter 2,
568 Part 2, Health Care Facility Licensing and Inspection, and created as a special service
569 district under Title 17D, Chapter 1, Special Service District Act, in a rural area of the
570 state that makes an election of nonparticipation in accordance with Subsection (5); or

- 571 (e) an employer that is a risk management association initially created by interlocal
572 agreement before 1986 for the purpose of implementing a self-insurance joint
573 protection program for the benefit of member municipalities of the association.
- 574 (3) If an employer that may be excluded under Subsection (2)(a)(i) elects at any time to
575 provide or participate in any type of public or private retirement, supplemental or
576 defined contribution plan, either directly or indirectly, except for Social Security, the
577 employer shall be a participating employer in this system regardless of whether the
578 employer has applied for admission under Subsection (4).
- 579 (4)(a) An employer may, by resolution of the employer's governing body, apply for
580 admission to this system.
- 581 (b) Upon approval of the resolution by the board, the employer is a participating
582 employer in this system and is subject to this title.
- 583 (5)(a)(i) Until June 30, 2009, a employer that is a hospital created as a special service
584 district under Title 17D, Chapter 1, Special Service District Act, may make an
585 election of nonparticipation as an employer for retirement programs under this
586 chapter.
- 587 (ii) Until June 30, 2014, an employer that is licensed as a nursing care facility under
588 Title 26B, Chapter 2, Part 2, Health Care Facility Licensing and Inspection, and
589 created as a special service district under Title 17D, Chapter 1, Special Service
590 District Act, in a rural area of the state may make an election of nonparticipation
591 as an employer for retirement programs under this chapter.
- 592 (iii) On or before July 1, 2010, an employer described in Subsection (2)(e) may make
593 an election of nonparticipation as an employer for retirement programs under this
594 chapter.
- 595 (b) An election provided under Subsection (5)(a):
- 596 (i) is a one-time election made no later than the time specified under Subsection (5)(a);
597 (ii) shall be documented by a resolution adopted by the governing body of the
598 employer;
- 599 (iii) is irrevocable; and
- 600 (iv) applies to the employer as described in Subsection (5)(a)(i), (ii), or (iii) and to all
601 employees of that employer.
- 602 (c) The employer making an election under Subsection (5)(a) may offer employee
603 benefit plans for the employer's employees:
- 604 (i) under [~~Title 49, Chapter 20, Public Employees' Benefit and Insurance Program Act~~]

- 605 Chapter 20, Public Employees' Benefit and Insurance Program Act; or
 606 (ii) under any other program.
- 607 (6)(a) If a participating employer purchases service credit on behalf of a regular full-time
 608 employee for service rendered prior to the participating employer's admission to this
 609 system, the participating employer shall:
- 610 (i) purchase service credit in a nondiscriminatory manner on behalf of all current and
 611 former regular full-time employees who were eligible for service credit at the time
 612 service was rendered; and
- 613 (ii) comply with the provisions of Section 49-11-403, except for the requirement
 614 described in Subsection 49-11-403(2)(a).
- 615 (b) For a purchase made under this Subsection (6), an employee is not required to:
- 616 (i) have at least four years of service credit before the purchase can be made; or
 617 (ii) forfeit service credit or any defined contribution balance based on the employer
 618 contributions under any other retirement system or plan based on the period of
 619 employment for which service credit is being purchased.
- 620 (7) A public employees' association may not become a participating employer after January
 621 1, 2025.
- 622 Section 16. Section **49-22-202** is amended to read:
- 623 **49-22-202 . Participation of employers -- Limitations -- Exclusions -- Admission**
 624 **requirements.**
- 625 (1) Unless excluded under Subsection (2), an employer is a participating employer and may
 626 not withdraw from participation in this system.
- 627 (2) The following employers may be excluded from participation in this system:
- 628 (a) an employer not initially admitted or included as a participating employer in this
 629 system before January 1, 1982, if:
- 630 (i) the employer elects not to provide or participate in any type of private or public
 631 retirement, supplemental or defined contribution plan, either directly or indirectly,
 632 for its employees, except for Social Security; or
- 633 (ii) the employer offers another collectively bargained retirement benefit and has
 634 continued to do so on an uninterrupted basis since that date;
- 635 (b) an employer that is a charter school authorized under Title 53G, Chapter 5, Part 3,
 636 Charter School Authorization, and does not elect to participate in accordance with
 637 Section 53G-5-407; or
- 638 (c) an employer that is a risk management association initially created by interlocal

- 639 agreement before 1986 for the purpose of implementing a self-insurance joint
640 protection program for the benefit of member municipalities of the association.
- 641 (3) If an employer that may be excluded under Subsection (2)(a)(i) elects at any time to
642 provide or participate in any type of public or private retirement, supplemental or
643 defined contribution plan, either directly or indirectly, except for Social Security, the
644 employer shall be a participating employer in this system regardless of whether the
645 employer has applied for admission under Subsection (4).
- 646 (4)(a) An employer may, by resolution of its governing body, apply for admission to this
647 system.
- 648 (b) Upon approval of the resolution by the board, the employer is a participating
649 employer in this system and is subject to this title.
- 650 (5) If a participating employer purchases service credit on behalf of a regular full-time
651 employee for service rendered prior to the participating employer's admission to this
652 system, the participating employer:
- 653 (a) shall purchase credit in a nondiscriminatory manner on behalf of all current and
654 former regular full-time employees who were eligible for service credit at the time
655 service was rendered; and
- 656 (b) shall comply with the provisions of Section 49-11-403.
- 657 (6) A public employees' association may not become a participating employer after January
658 1, 2025.
- 659 Section 17. Section **63A-4-101.5** is amended to read:
- 660 **63A-4-101.5 . Risk manager -- Appointment -- Duties.**
- 661 (1)[(†)] As used in this section:
- 662 (a) "K-12 personnel" means a public employee of a local education agency.
- 663 (b) "Local education agency" means the same as that term is defined in Section
664 53E-1-102.
- 665 (2)(a) There is created within the department the Division of Risk Management.
- 666 (b) The executive director shall, with the approval of the governor, appoint a risk
667 manager as the division director, who shall be qualified by education and experience
668 in the management of general property and casualty insurance.
- 669 [(2)] (3) The risk manager shall:
- 670 (a) except as provided in Subsection [(4)] (5), acquire and administer the following
671 purchased by the state or any captive insurance company created by the risk manager:
- 672 (i) all property and casualty insurance;

- 673 (ii)(A) professional liability insurance for K-12 personnel; and
674 (B) other professional liability insurance for public employees not covered under
675 Subsection (3)(a)(ii)(A) if the risk manager determines there is sufficient
676 demand;
677 ~~[(ii)]~~ (iii) reinsurance of property and casualty insurance, professional liability
678 insurance; and
679 ~~[(iii)]~~ (iv) subject to Section 34A-2-203, workers' compensation insurance;
680 (b) make rules, in accordance with Title 63G, Chapter 3, Utah Administrative
681 Rulemaking Act:
682 (i) prescribing reasonable and objective underwriting and risk control standards for:
683 (A) all covered entities of the Risk Management Fund;~~and]~~
684 (B) management of the professional liability insurance described in Subsection
685 (3)(a)(ii); and
686 ~~[(B)]~~ (C) any captive insurance company created by the risk manager;
687 (ii) prescribing the risks to be covered by the Risk Management Fund and the extent
688 to which these risks will be covered;
689 (iii) prescribing the properties, risks, deductibles, and amount limits eligible for
690 payment out of the Risk Management Fund;
691 (iv) prescribing procedures for making claims and proof of loss; and
692 (v) establishing procedures for the resolution of disputes relating to coverage or
693 claims, which may include binding arbitration;
694 (c) implement a risk management and loss prevention program for covered entities for
695 the purpose of reducing risks, accidents, and losses to assist covered entities in
696 fulfilling their responsibilities for risk control and safety;
697 (d) coordinate and cooperate with any covered entity having responsibility to manage
698 and protect state properties, including:
699 (i) the state fire marshal;
700 (ii) the director of the Division of Facilities Construction and Management;
701 (iii) the Department of Public Safety;
702 (iv) institutions of higher education;
703 (v) school districts; and
704 (vi) charter schools;
705 (e) maintain records necessary to fulfill the requirements of this section;
706 (f) manage the Risk Management Fund and any captive insurance company created by

707 the risk manager in accordance with economically and actuarially sound principles to
708 produce adequate reserves for the payment of contingencies, including unpaid and
709 unreported claims, and may purchase any insurance or reinsurance considered
710 necessary to accomplish this objective; and

711 (g) inform the covered entity's governing body and the governor when any covered
712 entity fails or refuses to comply with reasonable risk control recommendations made
713 by the risk manager.

714 [~~(3)~~] (4) Before the effective date of any rule, the risk manager shall provide a copy of the
715 rule to each covered entity affected by it.

716 [~~(4)~~] (5) The risk manager may not use a captive insurance company created by the risk
717 manager to purchase:

718 (a) workers' compensation insurance;

719 (b) health insurance; or

720 (c) life insurance.

721 Section 18. **Repealer.**

722 This bill repeals:

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

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

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

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

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

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

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

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

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

735 Section 19. **Effective Date.**

736 This bill takes effect on July 1, 2025.