

1 AN ACT relating to paycheck protection.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 336.180 is amended to read as follows:

4 As used in this chapter, unless the context requires otherwise:

5 **(1) "Candidate" has the same meaning as in KRS 121.015;**

6 **(2) "Committee" has the same meaning as in KRS 121.015;**

7 **(3) "Contributing organization" has the same meaning as in KRS 121.015;**

8 **(4) "Contribution" has the same meaning as in KRS 121.015;**

9 **(5) "Election" has the same meaning as in KRS 121.015;**

10 ~~[(1) The term "labor organization" means any organization of any kind, or any agency~~  
 11 ~~or employee representation committee, association or union which exists for the~~  
 12 ~~purpose, in whole or in part, of dealing with employers concerning wages, rates of~~  
 13 ~~pay, hours of employment or conditions of work, or other forms of compensation;]~~

14 **(6)**~~[(2)]~~ **"Employer"**~~[The term "employer"]~~ means all persons, firms, associations,  
 15 corporations, public employers, public school employers, and public colleges,  
 16 universities, institutions, and education agencies;~~[and]~~

17 **(7) "Fundraiser" has the same meaning as in KRS 121.015;**

18 **(8) "Independent expenditure" has the same meaning as in KRS 121.015;**

19 **(9) "Labor organization" means any organization of any kind, or any agency or**  
 20 **employee representation committee, association, or union which exists for the**  
 21 **purpose, in whole or in part, of dealing with employers concerning wages, rates**  
 22 **of pay, hours of employment or conditions of work, or other forms of**  
 23 **compensation;**

24 ~~[(3) The term "public employee" means an employee of a "public agency" as that term~~  
 25 ~~is defined in KRS 61.870(1).]~~

26 **(10) "Political activities" means any contribution or independent expenditure made to**  
 27 **any committee, contributing organization, candidate, slate of candidates, or**

1 fundraiser, or for any testimonial affair, or made in any manner intended to  
2 influence the outcome of an election, otherwise promote or support the defeat of  
3 any candidate, slate of candidates, or ballot measure, or advance any political  
4 position regarding any election, candidate, slate of candidates, or ballot measure  
5 held by any person or entity other than the state public employee;

6 (11) "Slate of candidates" has the same meaning as in KRS 121.015;

7 (12) "State public employee" is a public employee who is an active member of the  
8 Kentucky Employees Retirement System, the State Police Retirement System, or  
9 the Kentucky Teachers' Retirement System;

10 (13) "State public employer" means a public agency, board, commission, authority, or  
11 instrumentality organized under the state branches of government and excludes  
12 instrumentalities of a county, city, or municipality; and

13 (14) "Testimonial affair" has the same meaning as in KRS 121.015.

14 ➔Section 2. KRS 336.134 is amended to read as follows:

15 (1) A public employer ~~for a labor organization representing public employees~~ shall not  
16 deduct membership dues, fees, assessments, or other charges of a labor  
17 organization~~[an employee organization, association, or union]~~ from the wages,  
18 earnings, or compensation of a state public employee ~~[without the express written~~  
19 consent of the public employee. This consent shall be made prior to any deductions  
20 being made and may be revoked by the public employee at any time by written  
21 notice to the employer]. Labor organizations representing state public employees  
22 shall be solely responsible for collecting membership dues, fees, assessments, or  
23 other charges, including those that fund political activities, directly from the state  
24 public employee enrolled as a member of that labor organization.

25 (2) State public employers shall provide notice to state public employees regarding  
26 his or her right to abstain from enrolling as a member in a labor organization.  
27 Written or electronic forms, approved by the Attorney General, utilized by state

1 public employers to meet the requirement of this subsection shall contain a  
2 statement in fourteen (14) point boldface font reading: "The Commonwealth of  
3 Kentucky wishes to make you aware that you have a First Amendment right to  
4 refrain from joining and paying dues or fees to a labor organization. Your  
5 membership and payment of dues are voluntary and you may not be  
6 discriminated against for your refusal to join or financially support a labor  
7 organization. By signing this form, you are acknowledging that you were  
8 informed of this right."

9 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 336 IS CREATED TO  
10 READ AS FOLLOWS:

11 No employer shall collect financial information from state public employees, including  
12 but not limited to bank or other financial account institution and routing, and transmit  
13 that information to any labor organization, person, or other legal entity to facilitate the  
14 collection of dues, fees, assessments, payments, or other charges if any such funds are  
15 to be used for political activities.

16 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 336 IS CREATED TO  
17 READ AS FOLLOWS:

18 Sections 2, 3, 4, 5, 6, 7, and 8 of this Act shall not apply to any deductions from a state  
19 public employee's wages, compensation, or earnings made by the state public  
20 employee's employer in accordance with any joint wage agreement or collective  
21 bargaining contracts entered into, modified, renewed, or extended prior to the effective  
22 date of this Act. However, any joint wage agreements or collective bargaining contracts  
23 entered into, modified, renewed, or extended after the effective date of this Act, as well  
24 as any deductions made to a state public employee's wages, compensation, or earnings  
25 made in accordance with those joint wage agreements or collective bargaining  
26 contracts or otherwise made after the effective date of this Act, shall comply with  
27 Sections 2, 3, 4, 5, 6, 7, or 8 of this Act.

1           ➔Section 5. KRS 336.135 is amended to read as follows:

2       (1) As used in this section, "employee" means any person employed by or suffered or  
3       permitted to work for a public or private employer, except "employee" shall not  
4       mean any person covered by the Federal Railway Labor Act and the National Labor  
5       Relations Act.

6       (2) An employee shall not be enrolled as a member of a labor organization unless the  
7       employee has affirmatively requested membership in writing.

8       **(3) An employee enrolled as a member of a labor organization shall, on an annual**  
9       **basis, submit in writing his or her request to continue enrollment as a member**  
10       **with the labor organization or his or her status as a member shall lapse.**

11       ~~(4)(3)~~ A sum shall not be withheld from the earnings of any employee for the  
12       purpose of paying union dues or other fees paid by members of a labor organization  
13       or employees who are non-members except upon the written or electronic  
14       authorization of the employee member or employee non-member **unless the**  
15       **employer is a public employer, in which case Section 2 of this Act applies to that**  
16       **employer.**

17       ~~(5)(4)~~ The requirements in this section shall not be waived by any member or non-  
18       member of a labor organization, nor required to be waived as a condition of  
19       obtaining or maintaining employment.

20       ~~(6)(5)~~ Signing or refraining from signing the authorization set forth in subsections  
21       (2) and (3) of this section shall not be made a condition of obtaining or maintaining  
22       employment.

23       ~~(7)(6)~~ (a) A labor organization shall maintain financial records substantially  
24       similar to and no less comprehensive than the records required to be  
25       maintained under 29 U.S.C. sec. 431(b).

26       (b) These records shall be kept in a searchable electronic format and provided to  
27       every employee it represents.

1 (c) The records and the data or summary by which the records can be verified,  
2 explained, or clarified shall be kept for a period of not less than five (5) years.

3 **(d) A labor organization shall transmit financial records detailing the labor**  
4 **organization's quarterly expenses to all members of the labor organization**  
5 **on an annual basis.**

6 ~~(8)(7)~~ This section shall not apply to any agreement between employers and  
7 employees or labor organizations entered into before January 9, 2017, but any such  
8 agreement entered into, opted in, renewed, or extended on or after January 9, 2017,  
9 and which violates this section shall be unlawful and void.

10 ~~(9)(8)~~ This section shall be known as the "Paycheck Protection Act."

11 ➔Section 6. KRS 65.158 is amended to read as follows:

12 Any city, consolidated local government, or urban-county government which makes  
13 deductions from the pay of its employees for any cause other than taxes shall, upon the  
14 written request of at least thirty percent (30%) of all employees within a department or  
15 division, deduct the amount from the pay of an employee as he may note on a signed  
16 payroll notification card or voucher for the purposes of employee benefits, insurance, or  
17 community projects~~, or union dues~~. No deduction shall be made pursuant to this section  
18 from the pay of any employee who does not sign a payroll notification card or voucher.  
19 **For any deduction from the wages of any employee who is also a state public employee,**  
20 **as defined in Section 1 of this Act, made under this section in connection with labor**  
21 **organization or union dues, fees, assessments, or other charges, the payroll notification**  
22 **card or voucher shall comply with Section 2 of this Act.** Upon these deductions, the city,  
23 consolidated local government, or urban-county government shall, within thirty (30)  
24 days, pay to the elected representative or designated recipient for the employees of the  
25 department or division the total amount of the deductions minus the actual cost to the  
26 city, consolidated local government, or urban-county government of processing the  
27 deductions.

1           ➔Section 7. KRS 161.158 is amended to read as follows:

- 2       (1) (a) Each district board of education may form its employees into a group or  
3           groups or recognize existing groups for the purpose of obtaining the  
4           advantages of group life, disability, medical, and dental insurance, or any  
5           group insurance plans to aid its employees including the state employee health  
6           insurance group as described in KRS 18A.225 to 18A.2287, as long as the  
7           employees continue to be employed by the board of education. Medical and  
8           dental group insurance plans obtained under authority of this section may  
9           include insurance benefits for the families of the insured group or groups of  
10          employees. Any district board of education may pay all or part of the  
11          premium on the policies, and may deduct from the salaries of the employees  
12          that part of the premium which is to be paid by them and may contract with  
13          the insurer to provide the above benefits. As permitted in KRS 160.280(4),  
14          board members shall be eligible to participate in any group medical or dental  
15          insurance provided by the district for employees.
- 16       (b) If a district board of education participates in the state employee health  
17          insurance program, as described in KRS 18A.225 to 18A.2287, for its active  
18          employees and terminates participation and there is a state appropriation  
19          approved by the General Assembly for the employer's contribution for active  
20          employees' health insurance coverage, neither the board of education nor the  
21          employees shall receive the state-funded contribution after termination from  
22          the state employee health insurance program.
- 23       (c) If a district board of education participates in the state employee health  
24          insurance program as described in KRS 18A.225 to 18A.2287 for its active  
25          employees, all district employees who are required to be offered health  
26          insurance coverage for purposes of, and in accordance with, the federal  
27          Patient Protection and Affordable Care Act of 2010, Pub. L. No. 111-148,

1 shall be eligible for the state-funded contribution appropriated by the General  
2 Assembly for the employer's contribution for active employees' health  
3 insurance coverage.

4 (2) (a) Each district board of education shall adopt policies or regulations which will  
5 provide for:

6 1. a. Deductions from salaries of its employees or groups of employees  
7 whenever a request is presented to the board by said employees or  
8 groups thereof.

9 b. The deductions shall be made from salaries earned in at least eight  
10 (8) different pay periods.

11 c. The deductions may be made for, but are not limited to,  
12 membership dues, tax-sheltered annuities, and group insurance  
13 premiums.

14 d. The district board is prohibited from deducting membership dues  
15 of an employee organization, membership organization, or labor  
16 organization~~[ without the express written consent of the employee.~~  
17 ~~Express written consent of the employee may be revoked in~~  
18 ~~writing by the employee at any time].~~ This provision shall apply to  
19 contracts entered into, opted in, extended or renewed on or after  
20 January 9, 2017.

21 e. With the exception of membership dues, the board shall not be  
22 required to make more than one (1) remittance of amounts  
23 deducted during a pay period for a separate type of deduction; and

24 2. Deductions from payments for the per diem and actual expenses  
25 provided under KRS 160.280(1) to members of the district board of  
26 education whenever a request is presented by a board member to the  
27 board. The deductions may be made for but not be limited to

1 membership dues, health insurance purchases, scholarship funds, and  
2 contributions to a political action committee.

3 (b) The deductions under paragraph (a)1. and 2. of this subsection shall be  
4 remitted to the appropriate organization or association as specified by the  
5 employees within thirty (30) days following the deduction, provided the  
6 district has received appropriate invoices or necessary documentation.

7 (c) Health insurance, life insurance, and tax-sheltered annuities shall be  
8 interpreted as separate types of deductions. When amounts have been  
9 correctly deducted and remitted by the board, the board shall bear no further  
10 responsibility or liability for subsequent transaction.

11 (3) Payments and deductions made by the board of education under the authority of this  
12 section are presumed to be for services rendered and for the benefit of the common  
13 schools, and the payments and deductions shall not affect the eligibility of any  
14 school system to participate in the public school funding program as established in  
15 KRS Chapter 157.

16 ➔Section 8. KRS 164.365 is amended to read as follows:

17 (1) Anything in any statute of the Commonwealth to the contrary notwithstanding, the  
18 power over and control of appointments, qualifications, salaries, and compensation  
19 payable out of the State Treasury or otherwise, promotions, and official relations of  
20 all employees of Eastern Kentucky University, Western Kentucky University,  
21 Murray State University, Northern Kentucky University, and Morehead State  
22 University, as provided in KRS 164.350 and 164.360, and of Kentucky State  
23 University and the Kentucky Community and Technical College System, shall be  
24 under the exclusive jurisdiction of the respective governing boards of each of the  
25 institutions named.

26 (2) The board of regents for the Kentucky Community and Technical College System  
27 shall develop personnel rules for the governing of its members, officers, agents, and



1 employees by June 30, 1998. The board shall adopt interim policies to govern  
2 employees hired from July 1, 1997, until the permanent rules are adopted.

3 (3) Upon receipt of a written authorization from an employee of the Kentucky  
4 Community and Technical College System, the board shall deduct dues from the  
5 employee's paycheck for employee membership organizations, except that no  
6 deduction shall be made in association with membership dues, fees, assessments  
7 or other charges funding political activity for a labor organization. Dues shall be  
8 deducted at a rate established by the organization, and shall be discontinued upon  
9 written notification by an employee to both the system and the employee  
10 organization. On a quarterly basis, the Kentucky Community and Technical College  
11 System shall provide to each employee membership organization an updated list  
12 that includes the names and home addresses of the employees who are having dues  
13 deducted from their paychecks for the purpose of maintaining membership in that  
14 organization.

15 ➔Section 9. KRS 336.990 is amended to read as follows:

16 (1) Upon proof that any person employed by the Education and Labor Cabinet as a  
17 labor inspector has taken any part in any strike, lockout or similar labor dispute, the  
18 person shall forfeit his or her office.

19 (2) The following civil penalties shall be imposed, in accordance with the provisions in  
20 KRS 336.985, for violations of the provisions of this chapter:

21 (a) Any person who violates KRS 336.110 or 336.130 shall for each offense be  
22 assessed a civil penalty of not less than one hundred dollars (\$100) nor more  
23 than one thousand dollars (\$1,000);

24 (b) Any corporation, association, organization, or person that violates KRS  
25 336.190 and 336.200 shall be assessed a civil penalty of not less than one  
26 hundred dollars (\$100) nor more than one thousand dollars (\$1,000) for each  
27 offense. Each act of violation, and each day during which such an agreement

1 remains in effect, shall constitute a separate offense;

2 (c) Any employer who violates the provisions of KRS 336.220 shall be assessed a  
3 civil penalty of not less than one hundred dollars (\$100) nor more than one  
4 thousand dollars (\$1,000) for each violation;~~and~~

5 (d) Any labor organization who violates KRS 336.135 shall be assessed a civil  
6 penalty of not less than one hundred dollars (\$100) nor more than one  
7 thousand dollars (\$1,000) for each offense; and

8 (e) Any employer or labor organization that violates Sections 2, 3, 4, 5, 6, 7, or  
9 8 of this Act shall be assessed a civil penalty of not less than one hundred  
10 dollars (\$100) nor more than one thousand dollars (\$1,000) for each  
11 offense.

12 (3) Any labor organization, employer, or other person who directly or indirectly  
13 violates KRS 336.130(3) shall be guilty of a Class A misdemeanor.

14 (4) Any person aggrieved as a result of any violation or threatened violation of KRS  
15 336.130(3) may seek abatement of the violation or threatened violation by  
16 petitioning a court of competent jurisdiction for injunctive relief and shall be  
17 entitled to costs and reasonable attorney fees if he or she prevails in the action.

18 (5) Any person injured as a result of any violation or threatened violation of KRS  
19 336.130(3) may recover all damages resulting from the violation or threatened  
20 violation and shall be entitled to costs and reasonable attorney fees if he or she  
21 prevails in the action.