
SENATE BILL 6300

State of Washington 63rd Legislature 2014 Regular Session

By Senators Becker, Rivers, Braun, and Angel

Read first time 01/20/14. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to protecting public sector workers' rights through
2 public disclosure of public sector unions' finances; adding a new
3 section to chapter 41.58 RCW; adding a new section to chapter 47.64
4 RCW; adding a new section to chapter 28B.52 RCW; adding a new section
5 to chapter 41.56 RCW; adding a new section to chapter 41.59 RCW; adding
6 a new section to chapter 41.76 RCW; adding a new section to chapter
7 41.80 RCW; adding a new section to chapter 49.39 RCW; creating a new
8 section; prescribing penalties; and providing an effective date.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

10 NEW SECTION. **Sec. 1.** The legislature finds that the labor
11 management reporting and disclosure act, passed by the United States
12 congress in 1959, serves as an important protection of the rights of
13 private sector union members by requiring labor organizations to
14 publicly report information related to union finances, membership,
15 leadership, and governance. The legislature finds that Washington
16 public employees who are members of a labor organization lack the same
17 rights to disclosure from their union as their private sector
18 counterparts.

1 The legislature intends for increased transparency and financial
2 disclosure to provide public sector workers with more complete, timely,
3 and comprehensible information about their union's financial practices,
4 investments, solvency, and expenditures to empower them to protect
5 their personal financial interests and exercise their democratic rights
6 of self-governance.

7 NEW SECTION. **Sec. 2.** A new section is added to chapter 41.58 RCW
8 to read as follows:

9 (1) Each employee organization must file with the commission a
10 report signed by its president and secretary or corresponding principal
11 officers, and the report must contain the following information:

12 (a) The name of the employee organization, its mailing address, and
13 any other address at which it maintains its principal office or at
14 which it keeps records;

15 (b) The name and title of each of its officers; and

16 (c) Detailed statements regarding the provisions made and
17 procedures followed with respect to each of the following:

18 (i) Qualifications for, or restrictions on, membership;

19 (ii) Levying of assessments;

20 (iii) Participating in insurance or other benefit plans;

21 (iv) Authorization for disbursement of funds of the employee
22 organization;

23 (v) Audit of financial transactions of the employee organization;

24 (vi) The calling of regular and special meetings;

25 (vii) The selection of officers and agents;

26 (viii) Discipline or removal of officers or agents;

27 (ix) Fines, suspensions, and expulsions of members, including the
28 grounds for such actions and any provision made for notice, hearing,
29 judgment, and appeal;

30 (x) Authorization for bargaining demands; and

31 (xi) Ratification of contract terms.

32 (2) Any change in the information required by subsection (1) of
33 this section must be reported to the commission at the time the
34 employee organization files with the commission the annual financial
35 report required in subsection (3) of this section.

36 (3) Each employee organization with gross annual receipts totaling
37 more than one hundred thousand dollars must annually, not more than

1 sixty days after the end of its fiscal year, file with the commission
2 a report containing the following information, detailed by functional
3 spending categories, that accurately discloses its financial condition
4 and operations for the preceding fiscal year:

5 (a) Assets and liabilities at the beginning and end of the fiscal
6 year;

7 (b) Salary, the cost of fringe benefits, allowances, and other
8 direct or indirect disbursements to each officer and the support staff
9 of the employee organization, as well as all contributions to state or
10 national affiliates and any official or employee thereof;

11 (c) All income received or the value of services furnished to an
12 employee organization by either a parent affiliated labor organization
13 or by any other labor organization on behalf of the employee
14 organization;

15 (d) A report of the total amount spent by the employee
16 organization, and an itemization of expenditures of more than one
17 thousand five hundred dollars for:

- 18 (i) Contract negotiation and administration;
- 19 (ii) Organizing activities;
- 20 (iii) Strike activities;
- 21 (iv) Litigation, specifying the cases and matters involved;
- 22 (v) Public relations activities;
- 23 (vi) Political activities, including contributions to candidates,
24 ballot measures, member communications, and get out the vote efforts;
- 25 (vii) Activities attempting to influence the passage or defeat of
26 federal, state, or local legislation or the content or enforcement of
27 federal, state, or local regulations or policies;
- 28 (viii) Voter education and issue advocacy activities;
- 29 (ix) Training activities for each officer of the employee
30 organization or employee organization support staff; and
- 31 (x) Conference, convention, and travel activities engaged in by the
32 employee organization;

33 (e) The percentage of the employee organization's total
34 expenditures that were spent for each of the activities described in
35 (d) of this subsection;

36 (f) A list of political candidates, political organizations,
37 charitable organizations, nonprofit organizations, and community

1 organizations to which the employee organization contributed financial
2 or in-kind assistance and the dollar amount of such assistance;

3 (g) The name and address of any political action committees with
4 which the employee organization is affiliated or to whom it provides
5 contributions, and the total amount of contributions to those
6 committees;

7 (h) The initiation fee or fees required from a new or transferred
8 member and fees for work permits required by the reporting employee
9 organization;

10 (i) The regular dues or fees or other periodic payments required
11 for membership of the reporting employee organization;

12 (j) The fee amount paid by objecting nonmembers represented by the
13 reporting employee organization;

14 (k) The number of members in good standing represented by the
15 reporting employee organization; and

16 (l) The number of nonmembers represented by the reporting employee
17 organization.

18 (4) All descriptions of expenditures reported under subsection (3)
19 of this section must include whether the expenditure is related to
20 collective bargaining, contract administration, or grievance processes.

21 (5) The employee organization must make copies of reports or other
22 documents filed under subsections (1) and (3) of this section available
23 to every employee in the bargaining unit, and must annually notify
24 every employee in the bargaining unit that the reports are available on
25 the web site maintained by the commission.

26 (6) The commission shall preserve the statements or reports filed
27 under subsections (1) and (3) of this section for a minimum of ten
28 years. The contents of the reports and documents filed with the
29 commission under subsections (1) and (3) of this section are public
30 information and must be made available to the public in the following
31 manner: By ninety days after the effective date of this section, the
32 commission shall operate a web site or contract for the operation of a
33 web site that allows public access to reports, copies of reports, or
34 copies of data and information submitted in reports, filed with the
35 commission under subsections (1) and (3) of this section.

36 (7) The commission may determine whether a violation of this
37 section has occurred. The commission may issue and enforce an order
38 subject to the following:

1 (a) If the commission finds that an employee organization has
2 violated this section by failing or refusing to prepare the reports as
3 required in subsections (1) and (3) of this section or by preparing an
4 incomplete or inaccurate report, the commission shall issue an order
5 compelling compliance and assess a fifty dollar fine for each day each
6 report is overdue.

7 (b) The commission may make determinations and issue and enforce
8 orders at its own discretion or as a response to a petition filed by
9 the employer, any employee in the bargaining unit, or any member of the
10 general public. The commission may refer matters of compliance to the
11 state attorney general or other enforcement agency.

12 (8) Any person who willfully violates this section must be fined an
13 amount not exceeding ten thousand dollars.

14 (9) Any person who knowingly makes a false statement or
15 representation of a material fact or who knowingly fails to disclose a
16 material fact, in any document, report, or other information required
17 under this section must be fined an amount not exceeding ten thousand
18 dollars.

19 (10) Any person who willfully makes a false entry in or willfully
20 conceals, withholds, or destroys any books, records, reports, or
21 statements required to be kept by this section must be fined not more
22 than ten thousand dollars.

23 (11) Each individual required to sign reports under subsections (1)
24 and (3) of this section is personally responsible for the filing of
25 those reports and for any false statement that the individual knows is
26 false contained in the reports.

27 NEW SECTION. **Sec. 3.** A new section is added to chapter 47.64 RCW
28 to read as follows:

29 Section 2 of this act applies to ferry employee organizations under
30 this chapter.

31 NEW SECTION. **Sec. 4.** A new section is added to chapter 28B.52 RCW
32 to read as follows:

33 Section 2 of this act applies to employee organizations under this
34 chapter.

1 NEW SECTION. **Sec. 5.** A new section is added to chapter 41.56 RCW
2 to read as follows:

3 The requirements applicable to employee organizations under section
4 2 of this act apply to bargaining representatives under this chapter.

5 NEW SECTION. **Sec. 6.** A new section is added to chapter 41.59 RCW
6 to read as follows:

7 Section 2 of this act applies to employee organizations under this
8 chapter.

9 NEW SECTION. **Sec. 7.** A new section is added to chapter 41.76 RCW
10 to read as follows:

11 Section 2 of this act applies to employee organizations under this
12 chapter.

13 NEW SECTION. **Sec. 8.** A new section is added to chapter 41.80 RCW
14 to read as follows:

15 Section 2 of this act applies to employee organizations under this
16 chapter.

17 NEW SECTION. **Sec. 9.** A new section is added to chapter 49.39 RCW
18 to read as follows:

19 Section 2 of this act applies to bargaining representatives under
20 this chapter.

21 NEW SECTION. **Sec. 10.** This act takes effect July 1, 2014.

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