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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:
 - disputes between a K-12 personnel and a public employer; and
 - other public employees if there is a sufficient demand; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

28 **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 **49-11-202**, as last amended by Laws of Utah 2020, Chapter 352
34 **49-11-205**, as last amended by Laws of Utah 2023, Chapter 16
35 **49-12-202**, as last amended by Laws of Utah 2023, Chapter 328
36 **49-13-202**, as last amended by Laws of Utah 2023, Chapter 328
37 **49-22-202**, as last amended by Laws of Utah 2018, Chapter 415
38 **63A-4-101.5**, as last amended by Laws of Utah 2022, Chapter 169

39 ENACTS:

- 40 **34-32-202**, Utah Code Annotated 1953
41 **49-11-627**, Utah Code Annotated 1953

42 RENUMBERS AND AMENDS:

- 43 **34-32-101**, (Renumbered from 34-32-1, as last amended by Laws of Utah 2011, Chapter
44 220)
45 **34-32-102**, (Renumbered from 34-32-1.1, as last amended by Laws of Utah 2023,
46 Chapter 16)
47 **34-32-201**, (Renumbered from 34-32-2, as enacted by Laws of Utah 1969, Chapter 85)
48 **34-32-301**, (Renumbered from 34-32-3, as last amended by Laws of Utah 2018, Chapter
49 148)
50 **34-32-401**, (Renumbered from 34-32-4, as last amended by Laws of Utah 2011, Chapter
51 297)

52 REPEALS:

- 53 **34-20a-1**, as last amended by Laws of Utah 1995, Chapter 20
54 **34-20a-2**, as last amended by Laws of Utah 1995, Chapter 20
55 **34-20a-3**, as enacted by Laws of Utah 1975, Chapter 102
56 **34-20a-4**, as enacted by Laws of Utah 1975, Chapter 102
57 **34-20a-5**, as enacted by Laws of Utah 1975, Chapter 102
58 **34-20a-6**, as last amended by Laws of Utah 1995, Chapter 20
59 **34-20a-7**, as enacted by Laws of Utah 1975, Chapter 102
60 **34-20a-8**, as enacted by Laws of Utah 1975, Chapter 102
61 **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~~

- 95 of membership or participation in a labor organization.]
- 96 [(2) An employee may direct an employer, in writing, to deduct from the employee's wages
97 a specified sum for union dues, not to exceed 3% per month, to be paid to a labor
98 organization designated by the employee.]
- 99 [(3) An employer shall promptly commence or cease making deductions for union dues
100 from the wages of an employee for the benefit of a labor organization when the
101 employer receives a written communication from the employee directing the employer
102 to commence or cease making deductions.]
- 103 [(4) An employee's request that an employer cease making deductions may not be
104 conditioned upon a labor organization's:]
- 105 [(a) receipt of advance notice of the request; or]
106 [(b) prior consent to cessation of the deductions.]
- 107 [(5) A labor organization is not liable for any claim, service, or benefit that is:]
- 108 [(a) available only to a member of the labor organization; and]
109 [(b) terminated as a result of an employee's request that the employer cease making
110 deductions for union dues.]
- 111 [(6) An employee may join a labor organization or terminate membership at any time. A
112 person may not place a restriction on the time that an employee may join, or terminate
113 membership with, a labor organization.]
- 114 [(7) An employee may not waive a provision of this section.]
- 115 (1) "Employee" means an individual employed by a person, partnership, public, private, or
116 municipal corporation, school district, the state, or a political subdivision of the state.
- 117 (2) "Employer" means the person employing an employee.
- 118 (3)(a) "Labor organization" means a lawful organization of any kind that is composed, in
119 whole or in part, of employees, and that exists for the purpose, in whole or in part, of
120 dealing with employers concerning grievances, labor disputes, wages, rates of pay,
121 hours of employment, or other terms and conditions of employment.
- 122 (b) Except as provided in Subsection (3)(c), "labor organization" includes each
123 employee association and union for employees of public and private sector
124 employers.
- 125 (c) "Labor organization" does not include an organization that has entered into a labor
126 agreement or labor protective agreement under the Urban Mass Transportation Act,
127 49 U.S.C. Sec. 5333(b).
- 128 (4) "Political purposes" means an act done with the intent or in a way to influence or tend to

- 129 influence, directly or indirectly, an individual to refrain from voting or to vote for or
130 against any candidate for public office at any caucus, political convention, primary, or
131 election.
- 132 (5) "Public employee" means an individual employed by a public employer.
- 133 (6) "Public employer" means an employer that is:
- 134 (a) the state of Utah or any administrative subunit of the state;
135 (b) a state institution of higher education; or
136 (c) a municipal corporation, a county, a municipality, a school district, a special district,
137 a special service district, or any other political subdivision of the state.
- 138 (7) "Public money" means the same as that term is defined in Section 76-1-101.5.
- 139 (8)(a) "Public property" means real property, personal property, or intellectual property
140 that is owned, held, or managed by a public employer.
- 141 (b) "Public property" includes a website, computer program, record, or data that is
142 owned, held, or managed by a public employer.
- 143 (9) "Representative" means a labor organization representative.
- 144 (10)(a) "Union activity" means an activity that a labor organization, a member, or a
145 representative performs that relates to:
- 146 (i) advocating the general interests of members in wages, benefits, or terms and
147 conditions of employment;
- 148 (ii) enforcing the labor organization's internal policies and procedures;
149 (iii) fulfilling the labor organization's obligations;
150 (iv) advancing the labor organization's external relations; or
151 (v) union organizing.
- 152 (b) "Union activity" does not include advocating for a public employee in a specific
153 employment dispute.
- 154 (11) "Union dues" means dues, fees, assessments, or other money required as a condition of
155 membership or participation in a labor organization.
- 156 (12) "Union organizing" means communicating with a public employee in an effort to
157 persuade the public employee to join or support a labor organization.

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

160 **[34-32-1.1] 34-32-102 . Prohibiting public employers from collective bargaining --**
161 **Prohibiting the use of public money or public property for union activity.**

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

- 163 [(a)(i) "Labor organization" means a lawful organization of any kind that is
 164 composed, in whole or in part, of employees and that exists for the purpose, in
 165 whole or in part, of dealing with employers concerning grievances, labor disputes,
 166 wages, rates of pay, hours of employment, or other terms and conditions of
 167 employment.]
- 168 [(ii) Except as provided in Subsection (1)(a)(iii), "labor organization" includes each
 169 employee association and union for public employees.]
- 170 [(iii) "Labor organization" does not include organizations governed by the National
 171 Labor Relations Act, 29 U.S.C. Sec. 151 et seq. or the Railroad Labor Act, 45
 172 U.S.C. Sec. 151 et seq.]
- 173 [(b) "Political purposes" means an act done with the intent or in a way to influence or
 174 tend to influence, directly or indirectly, any person to refrain from voting or to vote
 175 for or against any candidate for public office at any caucus, political convention,
 176 primary, or election.]
- 177 [(e) "Public employee" means a person employed by:]
- 178 [(i) the state of Utah or any administrative subunit of the state;]
- 179 [(ii) a state institution of higher education; or]
- 180 [(iii) a municipal corporation, a county, a municipality, a school district, a special
 181 district, a special service district, or any other political subdivision of the state.]
- 182 [(d) "Public employer" means an employer that is:]
- 183 [(i) the state of Utah or any administrative subunit of the state;]
- 184 [(ii) a state institution of higher education; or]
- 185 [(iii) a municipal corporation, a county, a municipality, a school district, a special
 186 district, a special service district, or any other political subdivision of the state.]
- 187 [(e) "Union dues" means dues, fees, assessments, or other money required as a condition
 188 of membership or participation in a labor organization.]
- 189 [(2)] (1) A public employer may not deduct from the wages of [its] the public employer's
 190 employees any amounts to be paid to:
- 191 (a) a candidate as defined in Section 20A-11-101;
- 192 (b) a personal campaign committee as defined in Section 20A-11-101;
- 193 (c) a political action committee as defined in Section 20A-11-101;
- 194 (d) a political issues committee as defined in Section 20A-11-101;
- 195 (e) a registered political party as defined in Section 20A-11-101;
- 196 (f) a political fund as defined in Section 20A-11-1402; or

- 197 (g) any entity established by a labor organization to solicit, collect, or distribute money
198 primarily for political purposes as defined in this chapter.
- 199 (2)(a) Notwithstanding Section 34-19-1, a public employer may not recognize a labor
200 organization as a bargaining agent of public employees or collectively bargain or
201 enter into any collective bargaining contract with a labor organization or a
202 representative.
- 203 (b)(i) For a public employer with a collective bargaining agreement in effect on May
204 7, 2025, Subsection (2)(a) applies on the day on which the collective bargaining
205 agreement expires.
- 206 (ii) A public employer may not enter into a new collective bargaining agreement or
207 renew, extend, or modify an existing collective bargaining agreement.
- 208 (3) A public employer may not use public money or public property to:
- 209 (a) assist or support union activity;
- 210 (b) compensate a public employee or a third party for union activity; or
- 211 (c) provide a public employee paid leave that is in addition to the public employee's
212 regularly accrued leave to allow the public employee to participate in union activity.
- 213 (4) A labor organization, member, or representative may not receive public money or use
214 public property in a manner that violates Subsection (3).
- 215 (5) Nothing in Subsection (3) or (4) prohibits:
- 216 (a) a public employer from:
- 217 (i) spending public money or using public property for performing an activity
218 required by federal law or state law; or
- 219 (ii) compensating a public employee for annual leave, sick leave, or other leave that
220 the public employee accrues as a benefit of the public employee's employment,
221 provided the public employer gives the compensation on the same terms as any
222 other public employee;
- 223 (b) a labor organization or a representative from accessing public property that is real
224 property:
- 225 (i) in the same manner and to the same extent as the public employer allows access to
226 any other external individual or entity; or
- 227 (ii) on a limited case-by-case basis, at the public employer's invitation, and if the
228 public employer determines that allowing the labor organization or representative
229 access to the public property is in the public employees' best interests; or
- 230 (c) a public employee from engaging in discussion with other individuals in the

231 workplace during the public employee's break or when the public employee may
 232 discuss non-work related matters.

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

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

237 **Part 2. Assignments**

238 **[~~34-32-2~~] 34-32-201 . Assignments to farm organizations -- Effect.**

239 Whenever any producer of farm products within the state executes and delivers to a
 240 dealer or processor of farm products, either as a clause in a sales agreement or other instrument
 241 in writing, whereby such processor or dealer is directed to deduct a sum or a rate not exceeding
 242 3% of the price to be paid for any such produce, such processor or dealer shall deduct from the
 243 price to be paid for any farm product being sold by any such producer to any such processor or
 244 dealer, the amount so authorized and the producer or dealer shall pay the same to a farm
 245 organization as assignee.

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

247 **34-32-202 . Assignments to labor organizations -- Effect -- Reporting**
 248 **requirement.**

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

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

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

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

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

261 (b) consent to stop the deductions.

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

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

264 (b) terminated as a result of a public employee's request that the public employer stop

- 265 making deductions for union dues.
- 266 (5)(a) A public employee may join a labor organization or terminate membership at any
 267 time.
- 268 (b) A person may not place a restriction on the time that a public employee may join or
 269 terminate participation with a labor organization.
- 270 (6) A public employee may not waive a provision of this section.
- 271 (7) On April 1 of each year, a labor organization that receives union dues using payroll
 272 deduction shall report to the labor organization's members and to the Labor Commission
 273 for the preceding calendar year:
- 274 (a) the amount the labor organization spent on:
- 275 (i) representing union members in disputes;
- 276 (ii) lobbying;
- 277 (iii) giving to political donations and other political activities; and
- 278 (iv) giving to affiliate or umbrella organizations; and
- 279 (b) the number of members in the labor organization.
- 280 (8) Nothing in this section provides public employees a right to collective bargaining.

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

283 **Part 3. Enforcement**

284 **[34-32-3] 34-32-301 . Failure to comply -- Penalty -- Attorney general to enforce.**

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

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

291 **Part 4. Exceptions**

292 **[34-32-4] 34-32-401 . Exceptions from chapter.**

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

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

299 **49-11-202 . Establishment of Utah State Retirement Board -- Quorum -- Terms --**
 300 **Officers -- Expenses and per diem.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 332 (5)(a) Each year the board shall elect a president and vice president from its membership.
 333 (b) A board member may not receive compensation or benefits for the board member's
 334 service, but may receive per diem and travel expenses in accordance with:
 335 (i) Section 63A-3-106;
 336 (ii) Section 63A-3-107; and
 337 (iii) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
 338 63A-3-107.

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

340 **49-11-205 . Membership Council established -- Members -- Chair -- Duties --**
 341 **Expenses and per diem.**

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

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

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

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

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

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

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

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

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

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

365 (viii) one council member shall be a school business official representative of a

366 majority of the school business officials from public education employers who
 367 participate in a system administered by the board.

368 [~~(g) one council member shall be a representative of members of the Public Safety~~
 369 ~~Retirement Systems selected by the governing board of the association representative~~
 370 ~~of the majority of peace officers who are members of the Public Safety Retirement~~
 371 ~~Systems;]~~

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

376 [~~(i) one council member shall be a retiree selected by the governing board of the~~
 377 ~~association representing the largest number of retirees, who are not public education~~
 378 ~~retirees, from the Public Employees' Contributory, Public Employees'~~
 379 ~~Noncontributory, and New Public Employees' Tier II Contributory Retirement~~
 380 ~~Systems;]~~

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

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

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

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

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

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

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

- 400 (3)(a) Each entity granted authority to select council members under Subsection (2) may
 401 also revoke the selection at any time.
- 402 (b) Each term on the council shall be for a period of four years, subject to Subsection
 403 (3)(a).
- 404 (c) Each term begins on July 1 and expires on June 30.
- 405 (d) When a vacancy occurs on the council for any reason, the replacement shall be
 406 selected for the remainder of the unexpired term.
- 407 (4) The council shall annually designate one council member as chair.
- 408 (5) The council shall:
- 409 (a) recommend to the board and to the Legislature benefits and policies for members of
 410 any system or plan administered by the board;
- 411 (b) recommend procedures and practices to improve the administration of the systems
 412 and plans and the public employee relations responsibilities of the board and office;
- 413 (c) examine the record of all decisions affecting retirement benefits made by a hearing
 414 officer under Section 49-11-613;
- 415 (d) submit nominations to the board for the position of executive director if that position
 416 is vacant;
- 417 (e) advise and counsel with the board and the director on policies affecting members of
 418 the various systems administered by the office; and
- 419 (f) perform other duties assigned to it by the board.
- 420 (6) A member of the council may not receive compensation or benefits for the member's
 421 service, but may receive per diem and travel expenses in accordance with:
- 422 (a) Section 63A-3-106;
- 423 (b) Section 63A-3-107; and
- 424 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
 425 63A-3-107.
- 426 Section 12. Section **49-11-627** is enacted to read:
- 427 **49-11-627 . Withdrawing public employees' association -- Participation election**
 428 **date -- Withdrawal costs -- Rulemaking.**
- 429 (1) As used in this section, "withdrawing entity" means a public employees' association that
 430 participates in a system or plan under this title on January 1, 2025.
- 431 (2) Notwithstanding any other provision of this title, a withdrawing entity shall provide for
 432 the participation of the withdrawing entity's employees with that system or plan as
 433 follows:

- 434 (a) the withdrawing entity shall determine a date that is before July 1, 2027, on which
 435 the withdrawing entity shall complete withdrawal under Subsection (3);
- 436 (b) the withdrawing entity shall provide to the office notice of the withdrawing entity's
 437 intent to enter into an agreement described in Subsection (2)(c);
- 438 (c) the withdrawing entity and the office shall enter into an intent to withdraw agreement
 439 to document a good faith arrangement to complete a withdrawal under this section;
 440 and
- 441 (d) subject to Subsection (3), the withdrawing entity shall pay to the office any
 442 reasonable actuarial and administrative costs determined by the office, including an
 443 actuarially determined short-fall liability contribution and a contingency payment to
 444 provide financial protection to the remaining participating employers.
- 445 (3) The withdrawing entity shall:
- 446 (a) continue the withdrawing entity's participation for all of the withdrawing entity's
 447 current employees who are covered by a system or plan on the date set under
 448 Subsection (2)(a); and
- 449 (b) withdraw from participation in all systems and plans for employees initially entering
 450 employment with the withdrawing entity, beginning on the date set under Subsection
 451 (2)(a).
- 452 (4) Before a withdrawing entity may withdraw under this section, the withdrawing entity
 453 and the office shall enter into an agreement on:
- 454 (a) the costs described under Subsection (2)(d); and
- 455 (b) arrangements for the payment of the costs described under Subsection (2)(d).
- 456 Section 13. Section **49-12-202** is amended to read:
- 457 **49-12-202 . Participation of employers -- Limitations -- Exclusions -- Admission**
 458 **requirements -- Exceptions -- Nondiscrimination requirements.**
- 459 (1)(a) Unless excluded under Subsection (2), an employer is a participating employer
 460 and may not withdraw from participation in this system.
- 461 (b) In addition to participation in this system, a participating employer may provide or
 462 participate in public or private retirement, supplemental or defined contribution plan,
 463 either directly or indirectly, for the participating employer's employees.
- 464 (2) The following employers may be excluded from participation in this system:
- 465 (a) an employer not initially admitted or included as a participating employer in this
 466 system prior to January 1, 1982, if:
- 467 (i) the employer elects not to provide or participate in any type of private or public

- 468 retirement, supplemental or defined contribution plan, either directly or indirectly,
469 for the employer's employees, except for Social Security; or
- 470 (ii) the employer offers another collectively bargained retirement benefit and has
471 continued to do so on an uninterrupted basis since that date;
- 472 (b) an employer that is a charter school authorized under Title 53G, Chapter 5, Part 3,
473 Charter School Authorization, and does not elect to participate in accordance with
474 Section 53G-5-407;
- 475 (c) an employer that is a hospital created as a special service district under Title 17D,
476 Chapter 1, Special Service District Act, that makes an election of nonparticipation in
477 accordance with Subsection (4); or
- 478 (d) an employer that is licensed as a nursing care facility under Title 26B, Chapter 2,
479 Part 2, Health Care Facility Licensing and Inspection, and created as a special service
480 district under Title 17D, Chapter 1, Special Service District Act, in a rural area of the
481 state that makes an election of nonparticipation in accordance with Subsection (4).
- 482 (3)(a) An employer who did not become a participating employer in this system prior to
483 July 1, 1986, may not participate in this system.
- 484 (b) A public employees' association may not become a participating employer after
485 January 1, 2025.
- 486 (4)(a)(i) Until June 30, 2009, a employer that is a hospital created as a special service
487 district under Title 17D, Chapter 1, Special Service District Act, may make an
488 election of nonparticipation as an employer for retirement programs under this
489 chapter.
- 490 (ii) Until June 30, 2014, an employer that is licensed as a nursing care facility under
491 Title 26B, Chapter 2, Part 2, Health Care Facility Licensing and Inspection, and
492 created as a special service district under Title 17D, Chapter 1, Special Service
493 District Act, in a rural area of the state may make an election of nonparticipation
494 as an employer for retirement programs under this chapter.
- 495 (b) An election provided under Subsection (4)(a):
- 496 (i) is a one-time election made no later than the time specified under Subsection (4)(a);
497 (ii) shall be documented by a resolution adopted by the governing body of the special
498 service district;
- 499 (iii) is irrevocable; and
- 500 (iv) applies to the special service district as the employer and to all employees of the
501 special service district.

- 502 (c) The governing body of the special service district may offer employee benefit plans
 503 for special service district's employees:
 504 (i) under Title 49, Chapter 20, Public Employees' Benefit and Insurance Program Act;
 505 or
 506 (ii) under any other program.
- 507 (5)(a) If a participating employer purchases service credit on behalf of a regular full-time
 508 employee for service rendered prior to the participating employer's admission to this
 509 system, the participating employer shall:
 510 (i) purchase service credit in a nondiscriminatory manner on behalf of all current and
 511 former regular full-time employees who were eligible for service credit at the time
 512 service was rendered; and
 513 (ii) comply with the provisions of Section 49-11-403, except for the requirement
 514 described in Subsection 49-11-403(2)(a).
- 515 (b) For a purchase made under this Subsection (5), an employee is not required to:
 516 (i) have at least four years of service credit before the purchase can be made; or
 517 (ii) forfeit service credit or any defined contribution balance based on the employer
 518 contributions under any other retirement system or plan based on the period of
 519 employment for which service credit is being purchased.

520 Section 14. Section **49-13-202** is amended to read:

521 **49-13-202 . Participation of employers -- Limitations -- Exclusions -- Admission**
 522 **requirements -- Nondiscrimination requirements -- Service credit purchases.**

- 523 (1)(a) Unless excluded under Subsection (2), an employer is a participating employer
 524 and may not withdraw from participation in this system.
- 525 (b) In addition to participation in this system, a participating employer may provide or
 526 participate in any additional public or private retirement, supplemental or defined
 527 contribution plan, either directly or indirectly, for the participating employer's
 528 employees.
- 529 (2) The following employers may be excluded from participation in this system:
 530 (a) an employer not initially admitted or included as a participating employer in this
 531 system before January 1, 1982, if:
 532 (i) the employer elects not to provide or participate in any type of private or public
 533 retirement, supplemental or defined contribution plan, either directly or indirectly,
 534 for the employer's employees, except for Social Security; or
 535 (ii) the employer offers another collectively bargained retirement benefit and has

- 536 continued to do so on an uninterrupted basis since that date;
- 537 (b) an employer that is a charter school authorized under Title 53G, Chapter 5, Part 3,
538 Charter School Authorization, and does not elect to participate in accordance with
539 Section 53G-5-407;
- 540 (c) an employer that is a hospital created as a special service district under Title 17D,
541 Chapter 1, Special Service District Act, that makes an election of nonparticipation in
542 accordance with Subsection (5);
- 543 (d) an employer that is licensed as a nursing care facility under Title 26B, Chapter 2,
544 Part 2, Health Care Facility Licensing and Inspection, and created as a special service
545 district under Title 17D, Chapter 1, Special Service District Act, in a rural area of the
546 state that makes an election of nonparticipation in accordance with Subsection (5); or
- 547 (e) an employer that is a risk management association initially created by interlocal
548 agreement before 1986 for the purpose of implementing a self-insurance joint
549 protection program for the benefit of member municipalities of the association.
- 550 (3) If an employer that may be excluded under Subsection (2)(a)(i) elects at any time to
551 provide or participate in any type of public or private retirement, supplemental or
552 defined contribution plan, either directly or indirectly, except for Social Security, the
553 employer shall be a participating employer in this system regardless of whether the
554 employer has applied for admission under Subsection (4).
- 555 (4)(a) An employer may, by resolution of the employer's governing body, apply for
556 admission to this system.
- 557 (b) Upon approval of the resolution by the board, the employer is a participating
558 employer in this system and is subject to this title.
- 559 (5)(a)(i) Until June 30, 2009, a employer that is a hospital created as a special service
560 district under Title 17D, Chapter 1, Special Service District Act, may make an
561 election of nonparticipation as an employer for retirement programs under this
562 chapter.
- 563 (ii) Until June 30, 2014, an employer that is licensed as a nursing care facility under
564 Title 26B, Chapter 2, Part 2, Health Care Facility Licensing and Inspection, and
565 created as a special service district under Title 17D, Chapter 1, Special Service
566 District Act, in a rural area of the state may make an election of nonparticipation
567 as an employer for retirement programs under this chapter.
- 568 (iii) On or before July 1, 2010, an employer described in Subsection (2)(e) may make
569 an election of nonparticipation as an employer for retirement programs under this

- 570 chapter.
- 571 (b) An election provided under Subsection (5)(a):
- 572 (i) is a one-time election made no later than the time specified under Subsection (5)(a);
- 573 (ii) shall be documented by a resolution adopted by the governing body of the
- 574 employer;
- 575 (iii) is irrevocable; and
- 576 (iv) applies to the employer as described in Subsection (5)(a)(i), (ii), or (iii) and to all
- 577 employees of that employer.
- 578 (c) The employer making an election under Subsection (5)(a) may offer employee
- 579 benefit plans for the employer's employees:
- 580 (i) under Title 49, Chapter 20, Public Employees' Benefit and Insurance Program Act;
- 581 or
- 582 (ii) under any other program.
- 583 (6)(a) If a participating employer purchases service credit on behalf of a regular full-time
- 584 employee for service rendered prior to the participating employer's admission to this
- 585 system, the participating employer shall:
- 586 (i) purchase service credit in a nondiscriminatory manner on behalf of all current and
- 587 former regular full-time employees who were eligible for service credit at the time
- 588 service was rendered; and
- 589 (ii) comply with the provisions of Section 49-11-403, except for the requirement
- 590 described in Subsection 49-11-403(2)(a).
- 591 (b) For a purchase made under this Subsection (6), an employee is not required to:
- 592 (i) have at least four years of service credit before the purchase can be made; or
- 593 (ii) forfeit service credit or any defined contribution balance based on the employer
- 594 contributions under any other retirement system or plan based on the period of
- 595 employment for which service credit is being purchased.
- 596 (7) A public employees' association may not become a participating employer after January
- 597 1, 2025.
- 598 Section 15. Section **49-22-202** is amended to read:
- 599 **49-22-202 . Participation of employers -- Limitations -- Exclusions -- Admission**
- 600 **requirements.**
- 601 (1) Unless excluded under Subsection (2), an employer is a participating employer and may
- 602 not withdraw from participation in this system.
- 603 (2) The following employers may be excluded from participation in this system:

- 604 (a) an employer not initially admitted or included as a participating employer in this
605 system before January 1, 1982, if:
- 606 (i) the employer elects not to provide or participate in any type of private or public
607 retirement, supplemental or defined contribution plan, either directly or indirectly,
608 for its employees, except for Social Security; or
- 609 (ii) the employer offers another collectively bargained retirement benefit and has
610 continued to do so on an uninterrupted basis since that date;
- 611 (b) an employer that is a charter school authorized under Title 53G, Chapter 5, Part 3,
612 Charter School Authorization, and does not elect to participate in accordance with
613 Section 53G-5-407; or
- 614 (c) an employer that is a risk management association initially created by interlocal
615 agreement before 1986 for the purpose of implementing a self-insurance joint
616 protection program for the benefit of member municipalities of the association.
- 617 (3) If an employer that may be excluded under Subsection (2)(a)(i) elects at any time to
618 provide or participate in any type of public or private retirement, supplemental or
619 defined contribution plan, either directly or indirectly, except for Social Security, the
620 employer shall be a participating employer in this system regardless of whether the
621 employer has applied for admission under Subsection (4).
- 622 (4)(a) An employer may, by resolution of its governing body, apply for admission to this
623 system.
- 624 (b) Upon approval of the resolution by the board, the employer is a participating
625 employer in this system and is subject to this title.
- 626 (5) If a participating employer purchases service credit on behalf of a regular full-time
627 employee for service rendered prior to the participating employer's admission to this
628 system, the participating employer:
- 629 (a) shall purchase credit in a nondiscriminatory manner on behalf of all current and
630 former regular full-time employees who were eligible for service credit at the time
631 service was rendered; and
- 632 (b) shall comply with the provisions of Section 49-11-403.
- 633 (6) A public employees' association may not become a participating employer after January
634 1, 2025.
- 635 Section 16. Section **63A-4-101.5** is amended to read:
- 636 **63A-4-101.5 . Risk manager -- Appointment -- Duties.**
- 637 (1)[(a)] As used in this section:

- 638 (a) "K-12 personnel" means a public employee of a local education agency.
- 639 (b) "Local education agency" means the same as that term is defined in Section
- 640 53E-1-102.
- 641 (2)(a) There is created within the department the Division of Risk Management.
- 642 (b) The executive director shall, with the approval of the governor, appoint a risk
- 643 manager as the division director, who shall be qualified by education and experience
- 644 in the management of general property and casualty insurance.
- 645 [(2)] (3) The risk manager shall:
- 646 (a) except as provided in Subsection [(4)] (5), acquire and administer the following
- 647 purchased by the state or any captive insurance company created by the risk manager:
- 648 (i) all property and casualty insurance;
- 649 (ii)(A) professional liability insurance for K-12 personnel; and
- 650 (B) other professional liability insurance for public employees not covered under
- 651 Subsection (3)(a)(ii)(A) if the risk manager determines there is sufficient
- 652 demand;
- 653 [(ii)] (iii) reinsurance of property[and] , casualty insurance, and professional liability
- 654 insurance; and
- 655 [(iii)] (iv) subject to Section 34A-2-203, workers' compensation insurance;
- 656 [(b)]
- 657 (b) make rules, in accordance with Title 63G, Chapter 3, Utah Administrative
- 658 Rulemaking Act:
- 659 (i) prescribing reasonable and objective underwriting and risk control standards for:
- 660 (A) all covered entities of the Risk Management Fund; [and]
- 661 (B) management of the professional liability insurance described in Subsection
- 662 (3)(a)(ii); and
- 663 [(B)] (C) any captive insurance company created by the risk manager;
- 664 (ii) prescribing the risks to be covered by the Risk Management Fund and the extent
- 665 to which these risks will be covered;
- 666 (iii) prescribing the properties, risks, deductibles, and amount limits eligible for
- 667 payment out of the Risk Management Fund;
- 668 (iv) prescribing procedures for making claims and proof of loss; and
- 669 (v) establishing procedures for the resolution of disputes relating to coverage or
- 670 claims, which may include binding arbitration;
- 671 (c) implement a risk management and loss prevention program for covered entities for

- 672 the purpose of reducing risks, accidents, and losses to assist covered entities in
 673 fulfilling their responsibilities for risk control and safety;
- 674 (d) coordinate and cooperate with any covered entity having responsibility to manage
 675 and protect state properties, including:
- 676 (i) the state fire marshal;
- 677 (ii) the director of the Division of Facilities Construction and Management;
- 678 (iii) the Department of Public Safety;
- 679 (iv) institutions of higher education;
- 680 (v) school districts; and
- 681 (vi) charter schools;
- 682 (e) maintain records necessary to fulfill the requirements of this section;
- 683 (f) manage the Risk Management Fund and any captive insurance company created by
 684 the risk manager in accordance with economically and actuarially sound principles to
 685 produce adequate reserves for the payment of contingencies, including unpaid and
 686 unreported claims, and may purchase any insurance or reinsurance considered
 687 necessary to accomplish this objective; and
- 688 (g) inform the covered entity's governing body and the governor when any covered
 689 entity fails or refuses to comply with reasonable risk control recommendations made
 690 by the risk manager.

691 [~~3~~] (4) Before the effective date of any rule, the risk manager shall provide a copy of the
 692 rule to each covered entity affected by it.

693 [~~4~~] (5) The risk manager may not use a captive insurance company created by the risk
 694 manager to purchase:

- 695 (a) workers' compensation insurance;
- 696 (b) health insurance; or
- 697 (c) life insurance.

698 Section 17. **Repealer.**

699 This bill repeals:

700 Section 34-20a-1, Title.

701 Section 34-20a-2, Definitions.

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

703 Section 34-20a-4, Exclusive bargaining representative -- Selection -- Exclusions from
 704 negotiating team.

705 Section 34-20a-5, Corporate authority duty -- Collective bargaining agreement --

706 **No-strike clause.**

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

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

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

710 Section **34-20a-9, Board of arbitration -- Determination -- Final and binding -- Exception**

711 **-- Expense.**

712 Section 18. **Effective Date.**

713 This bill takes effect on July 1, 2025.