
SENATE BILL 6756

State of Washington

59th Legislature

2006 Regular Session

By Senator Honeyford

Read first time 01/20/2006. Referred to Committee on Labor, Commerce, Research & Development.

1 AN ACT Relating to providing for public disclosure of public sector
2 unions' finances; amending RCW 28B.52.045, 41.80.100, 41.56.122,
3 41.59.100, 41.76.045, and 47.64.160; adding a new section to chapter
4 28B.52 RCW; adding a new section to chapter 41.80 RCW; adding a new
5 section to chapter 41.56 RCW; adding a new section to chapter 41.59
6 RCW; adding a new section to chapter 41.76 RCW; adding a new section to
7 chapter 47.64 RCW; and providing an effective date.

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

9 **Sec. 1.** RCW 28B.52.045 and 1987 c 314 s 8 are each amended to read
10 as follows:

11 (1) Upon filing with the employer the voluntary written
12 authorization of a bargaining unit employee under this chapter, the
13 employee organization which is the exclusive bargaining representative
14 of the bargaining unit shall have the right to have deducted from the
15 salary of the bargaining unit employee the periodic dues and initiation
16 fees uniformly required as a condition of acquiring or retaining
17 membership in the exclusive bargaining representative. Such employee
18 authorization shall not be irrevocable for a period of more than one
19 year. Such dues and fees shall be deducted from the pay of all

1 employees who have given authorization for such deduction, and shall be
2 transmitted by the employer to the employee organization or to the
3 depository designated by the employee organization.

4 (2) A collective bargaining agreement may include union security
5 provisions, but not a closed shop. If an agency shop or other union
6 security provision is agreed to((τ)): (a) The employer shall enforce
7 any such provision by deductions from the salary of bargaining unit
8 employees affected thereby and shall transmit such funds to the
9 employee organization or to the depository designated by the employee
10 organization; and (b) the exclusive bargaining representative must act
11 in accordance with section 2 of this act.

12 (3) An employee who is covered by a union security provision and
13 who asserts a right of nonassociation based on bona fide religious
14 tenets or teachings of a church or religious body of which such
15 employee is a member shall pay to a nonreligious charity or other
16 charitable organization an amount of money equivalent to the periodic
17 dues and initiation fees uniformly required as a condition of acquiring
18 or retaining membership in the exclusive bargaining representative.
19 The charity shall be agreed upon by the employee and the employee
20 organization to which such employee would otherwise pay the dues and
21 fees. The employee shall furnish written proof that such payments have
22 been made. If the employee and the employee organization do not reach
23 agreement on such matter, the commission shall designate the charitable
24 organization.

25 NEW SECTION. Sec. 2. A new section is added to chapter 28B.52 RCW
26 to read as follows:

27 (1) If an agency shop or other union security provision is agreed
28 to, the exclusive bargaining representative must annually, not more
29 than ninety days after the end of its fiscal year, provide financial
30 disclosure information to all members of the bargaining unit and to the
31 general public by filing with the commission a report containing the
32 following information, detailed by functional spending categories, that
33 accurately discloses its financial condition and operations for the
34 preceding fiscal year:

35 (a) Assets and liabilities at the beginning and end of the fiscal
36 year;

1 (b) Salary, the cost of fringe benefits, allowances, and other
2 direct or indirect disbursements to each officer of the local, the
3 exclusive bargaining representative, and the support staff, as well as
4 all contributions to state or national affiliates and any official or
5 employee thereof;

6 (c) All income received or the value of services furnished to an
7 exclusive bargaining representative by either a parent affiliated labor
8 organization or by any other labor organization on behalf of the
9 exclusive bargaining representative;

10 (d) An itemization of the total amount spent by the exclusive
11 bargaining representative for:

12 (i) Contract negotiation and administration;

13 (ii) Organizing activities;

14 (iii) Strike activities;

15 (iv) Litigation, specifying the matters and cases involved;

16 (v) Public relations activities;

17 (vi) Political activities;

18 (vii) Activities attempting to influence the passage or defeat of
19 federal, state, or local legislation or the content or enforcement of
20 federal, state, or local regulations or policies;

21 (viii) Voter education and issue advocacy activities;

22 (ix) Training activities for each officer of the exclusive
23 bargaining representative or employee organization support staff; and

24 (x) Conference, convention, and travel activities engaged in by the
25 exclusive bargaining representative;

26 (e) The percentage of the exclusive bargaining representative's
27 total expenditures that were spent for each of the activities described
28 in (d)(i) through (x) of this subsection;

29 (f) The names, addresses, and activities of any of the law firms,
30 public relations firms, or lobbyists whose services are used by the
31 exclusive bargaining representative for any activity described in
32 (d)(iv) through (x) of this subsection;

33 (g) A list of political candidates, political organizations,
34 charitable organizations, nonprofit organizations, and community
35 organizations to which the exclusive bargaining representative
36 contributed financial or in-kind assistance and the dollar amount of
37 such assistance; and

1 (h) The name and address of any political action committees with
2 which the exclusive bargaining representative is affiliated or to whom
3 it provides contributions, the total amount of contributions to such
4 committees, the candidates or causes to which such committees provided
5 any financial assistance, and the amount provided to each such
6 candidate or cause.

7 (2) The report required in subsection (1) of this section must be
8 prepared by an auditing organization, independent of the exclusive
9 bargaining representative, using generally accepted auditing standards
10 and generally accepted accounting principles, that ensures the accuracy
11 and veracity of the information provided by the exclusive bargaining
12 representative. All expenditures must be reported as either germane to
13 collective bargaining, contract administration, or grievance
14 processing, or not so related.

15 (3) The exclusive bargaining representative must disclose
16 information to all members of the bargaining unit and to the general
17 public by filing with the commission a report signed by its president
18 and secretary or corresponding principal officers, and containing the
19 following information:

20 (a) The name of the labor organization, its mailing address, and
21 any other address at which it maintains its principal office or at
22 which it keeps records;

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

24 (c) The initiation fee or fees required from a new or transferred
25 member;

26 (d) The regular dues or fees or other periodic payments required to
27 remain a member of the reporting labor organization; and

28 (e) Detailed statements regarding the provisions made and
29 procedures followed with respect to each of the following:

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

31 (ii) Levying of assessments;

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

33 (iv) Authorization for disbursement of funds of the labor
34 organization;

35 (v) Audit of financial transaction of the labor organization;

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

37 (vii) The selection of officers and stewards;

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

1 (ix) Imposition of fines, suspensions, and expulsions of members,
2 including the grounds for such action and any provision made for
3 notice, hearing, judgment, and appeal;

4 (x) Authorization for bargaining demands; and

5 (xi) Ratification of contract terms.

6 (4) Any change in the information required by subsection (3) of
7 this section must be reported to the commission at the time the
8 exclusive bargaining representative files with the commission the
9 annual financial report required in subsection (1) of this section.

10 (5) If, on a petition filed by the employer or any member of the
11 bargaining unit before expiration of the applicable union security
12 provision, the commission finds that an exclusive bargaining
13 representative has violated this subsection by failing or refusing to
14 prepare the reports as required in subsection (1) or (2) of this
15 section or by preparing an incomplete or inaccurate report, the
16 commission shall order the refund of all membership dues or agency shop
17 fees to members of the bargaining unit for the period covered by the
18 report. On finding a second violation by the exclusive bargaining
19 representative, the commission shall also order an employee election in
20 the affected bargaining unit to determine whether the employee
21 organization will continue to be the exclusive bargaining
22 representative of the bargaining unit. The election shall be conducted
23 upon the expiration of the existing collective bargaining agreement
24 covering the affected bargaining unit.

25 **Sec. 3.** RCW 41.80.100 and 2002 c 354 s 311 are each amended to
26 read as follows:

27 (1) A collective bargaining agreement may contain a union security
28 provision requiring as a condition of employment the payment, no later
29 than the thirtieth day following the beginning of employment or July 1,
30 2004, whichever is later, of an agency shop fee to the employee
31 organization that is the exclusive bargaining representative for the
32 bargaining unit in which the employee is employed. The amount of the
33 fee shall be equal to the amount required to become a member in good
34 standing of the employee organization. Each employee organization
35 shall establish a procedure by which any employee so requesting may pay
36 a representation fee no greater than the part of the membership fee
37 that represents a pro rata share of expenditures for purposes germane

1 to the collective bargaining process, to contract administration, or to
2 pursuing matters affecting wages, hours, and other conditions of
3 employment.

4 (2) An employee who is covered by a union security provision and
5 who asserts a right of nonassociation based on bona fide religious
6 tenets, or teachings of a church or religious body of which the
7 employee is a member, shall, as a condition of employment, make
8 payments to the employee organization, for purposes within the program
9 of the employee organization as designated by the employee that would
10 be in harmony with his or her individual conscience. The amount of the
11 payments shall be equal to the periodic dues and fees uniformly
12 required as a condition of acquiring or retaining membership in the
13 employee organization minus any included monthly premiums for insurance
14 programs sponsored by the employee organization. The employee shall
15 not be a member of the employee organization but is entitled to all the
16 representation rights of a member of the employee organization.

17 (3) Upon filing with the employer the written authorization of a
18 bargaining unit employee under this chapter, the employee organization
19 that is the exclusive bargaining representative of the bargaining unit
20 shall have the exclusive right to have deducted from the salary of the
21 employee an amount equal to the fees and dues uniformly required as a
22 condition of acquiring or retaining membership in the employee
23 organization. The fees and dues shall be deducted each pay period from
24 the pay of all employees who have given authorization for the deduction
25 and shall be transmitted by the employer as provided for by agreement
26 between the employer and the employee organization.

27 (4) Employee organizations that before July 1, 2004, were entitled
28 to the benefits of this section shall continue to be entitled to these
29 benefits.

30 (5) If a union security provision is agreed to, the exclusive
31 bargaining representative must act in accordance with section 4 of this
32 act.

33 NEW SECTION. Sec. 4. A new section is added to chapter 41.80 RCW
34 to read as follows:

35 (1) If a union security provision is agreed to, the exclusive
36 bargaining representative must annually, not more than ninety days
37 after the end of its fiscal year, provide financial disclosure

1 information to all members of the bargaining unit and to the general
2 public by filing with the commission a report containing the following
3 information, detailed by functional spending categories, that
4 accurately discloses its financial condition and operations for the
5 preceding fiscal year:

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

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

13 (c) All income received or the value of services furnished to an
14 exclusive bargaining representative by either a parent affiliated labor
15 organization or by any other labor organization on behalf of the
16 exclusive bargaining representative;

17 (d) An itemization of the total amount spent by the exclusive
18 bargaining representative for:

- 19 (i) Contract negotiation and administration;
- 20 (ii) Organizing activities;
- 21 (iii) Strike activities;
- 22 (iv) Litigation, specifying the matters and cases involved;
- 23 (v) Public relations activities;
- 24 (vi) Political activities;
- 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 exclusive
30 bargaining representative or employee organization support staff; and
- 31 (x) Conference, convention, and travel activities engaged in by the
32 exclusive bargaining representative;

33 (e) The percentage of the exclusive bargaining representative's
34 total expenditures that were spent for each of the activities described
35 in (d)(i) through (x) of this subsection;

36 (f) The names, addresses, and activities of any of the law firms,
37 public relations firms, or lobbyists whose services are used by the

1 exclusive bargaining representative for any activity described in
2 (d)(iv) through (x) of this subsection;

3 (g) A list of political candidates, political organizations,
4 charitable organizations, nonprofit organizations, and community
5 organizations to which the exclusive bargaining representative
6 contributed financial or in-kind assistance and the dollar amount of
7 such assistance; and

8 (h) The name and address of any political action committees with
9 which the exclusive bargaining representative is affiliated or to whom
10 it provides contributions, the total amount of contributions to such
11 committees, the candidates or causes to which such committees provided
12 any financial assistance, and the amount provided to each such
13 candidate or cause.

14 (2) The report required in subsection (1) of this section must be
15 prepared by an auditing organization, independent of the exclusive
16 bargaining representative, using generally accepted auditing standards
17 and generally accepted accounting principles, that ensures the accuracy
18 and veracity of the information provided by the exclusive bargaining
19 representative. All expenditures must be reported as either germane to
20 collective bargaining, contract administration, or grievance
21 processing, or not so related.

22 (3) The exclusive bargaining representative must disclose
23 information to all members of the bargaining unit and to the general
24 public by filing with the commission a report signed by its president
25 and secretary or corresponding principal officers, and containing the
26 following information:

27 (a) The name of the labor organization, its mailing address, and
28 any other address at which it maintains its principal office or at
29 which it keeps records;

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

31 (c) The initiation fee or fees required from a new or transferred
32 member;

33 (d) The regular dues or fees or other periodic payments required to
34 remain a member of the reporting labor organization; and

35 (e) Detailed statements regarding the provisions made and
36 procedures followed with respect to each of the following:

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

38 (ii) Levying of assessments;

- 1 (iii) Participating in insurance or other benefit plans;
- 2 (iv) Authorization for disbursement of funds of the labor
3 organization;
- 4 (v) Audit of financial transaction of the labor organization;
- 5 (vi) The calling of regular and special meetings;
- 6 (vii) The selection of officers and stewards;
- 7 (viii) Discipline or removal of officers or agents;
- 8 (ix) Imposition of fines, suspensions, and expulsions of members,
9 including the grounds for such action and any provision made for
10 notice, hearing, judgment, and appeal;
- 11 (x) Authorization for bargaining demands; and
- 12 (xi) Ratification of contract terms.

13 (4) Any change in the information required by subsection (3) of
14 this section must be reported to the commission at the time the
15 exclusive bargaining representative files with the commission the
16 annual financial report required in subsection (1) of this section.

17 (5) If, on a petition filed by the employer or any member of the
18 bargaining unit before expiration of the applicable union security
19 provision, the commission finds that an exclusive bargaining
20 representative has violated this subsection by failing or refusing to
21 prepare the reports as required in subsection (1) or (2) of this
22 section or by preparing an incomplete or inaccurate report, the
23 commission shall order the refund of all membership dues or agency shop
24 fees to members of the bargaining unit for the period covered by the
25 report. On finding a second violation by the exclusive bargaining
26 representative, the commission shall also order an employee election in
27 the affected bargaining unit to determine whether the employee
28 organization will continue to be the exclusive bargaining
29 representative of the bargaining unit. The election shall be conducted
30 upon the expiration of the existing collective bargaining agreement
31 covering the affected bargaining unit.

32 **Sec. 5.** RCW 41.56.122 and 1975 1st ex.s. c 296 s 22 are each
33 amended to read as follows:

34 (1) A collective bargaining agreement may:
35 ~~((1))~~ (a) Contain union security provisions(~~(:—PROVIDED, That~~
36 ~~nothing in this section shall authorize)~~). However, the union security
37 provision may not contain a closed shop provision(~~(:—PROVIDED FURTHER,~~

1 ~~That~~). Agreements involving union security provisions must safeguard
2 the right of nonassociation of public employees based on bona fide
3 religious tenets or teachings of a church or religious body of which
4 such public employee is a member. Such public employee shall pay an
5 amount of money equivalent to regular union dues and initiation fee to
6 a nonreligious charity or to another charitable organization mutually
7 agreed upon by the public employee affected and the bargaining
8 representative to which such public employee would otherwise pay the
9 dues and initiation fee. The public employee shall furnish written
10 proof that such payment has been made. If the public employee and the
11 bargaining representative do not reach agreement on such matter, the
12 commission shall designate the charitable organization. When there is
13 a conflict between any collective bargaining agreement reached by a
14 public employer and a bargaining representative on a union security
15 provision and any charter, ordinance, rule, or regulation adopted by
16 the public employer or its agents, including but not limited to, a
17 civil service commission, the terms of the collective bargaining
18 agreement shall prevail.

19 ~~((+2))~~ (b) Provide for binding arbitration of a labor dispute
20 arising from the application or the interpretation of the matters
21 contained in a collective bargaining agreement.

22 (2) If a union security agreement is agreed to, the bargaining
23 representative must act in accordance with section 6 of this act.

24 NEW SECTION. Sec. 6. A new section is added to chapter 41.56 RCW
25 to read as follows:

26 (1) If a union security provision is agreed to, the bargaining
27 representative must annually, not more than ninety days after the end
28 of its fiscal year, provide financial disclosure information to all
29 members of the bargaining unit and to the general public by filing with
30 the commission a report containing the following information, detailed
31 by functional spending categories, that accurately discloses its
32 financial condition and operations for the preceding fiscal year:

33 (a) Assets and liabilities at the beginning and end of the fiscal
34 year;

35 (b) Salary, the cost of fringe benefits, allowances, and other
36 direct or indirect disbursements to each officer of the local, the

1 bargaining representative, and the support staff, as well as all
2 contributions to state or national affiliates and any official or
3 employee thereof;

4 (c) All income received or the value of services furnished to a
5 bargaining representative by either a parent affiliated labor
6 organization or by any other labor organization on behalf of the
7 bargaining representative;

8 (d) An itemization of the total amount spent by the bargaining
9 representative for:

10 (i) Contract negotiation and administration;

11 (ii) Organizing activities;

12 (iii) Strike activities;

13 (iv) Litigation, specifying the matters and cases involved;

14 (v) Public relations activities;

15 (vi) Political activities;

16 (vii) Activities attempting to influence the passage or defeat of
17 federal, state, or local legislation or the content or enforcement of
18 federal, state, or local regulations or policies;

19 (viii) Voter education and issue advocacy activities;

20 (ix) Training activities for each officer of the bargaining
21 representative or employee organization support staff; and

22 (x) Conference, convention, and travel activities engaged in by the
23 bargaining representative;

24 (e) The percentage of the bargaining representative's total
25 expenditures that were spent for each of the activities described in
26 (d)(i) through (x) of this subsection;

27 (f) The names, addresses, and activities of any of the law firms,
28 public relations firms, or lobbyists whose services are used by the
29 bargaining representative for any activity described in (d)(iv) through
30 (x) of this subsection;

31 (g) A list of political candidates, political organizations,
32 charitable organizations, nonprofit organizations, and community
33 organizations to which the bargaining representative contributed
34 financial or in-kind assistance and the dollar amount of such
35 assistance; and

36 (h) The name and address of any political action committees with
37 which the bargaining representative is affiliated or to whom it
38 provides contributions, the total amount of contributions to such

1 committees, the candidates or causes to which such committees provided
2 any financial assistance, and the amount provided to each such
3 candidate or cause.

4 (2) The report required in subsection (1) of this section must be
5 prepared by an auditing organization, independent of the bargaining
6 representative, using generally accepted auditing standards and
7 generally accepted accounting principles, that ensures the accuracy and
8 veracity of the information provided by the bargaining representative.
9 All expenditures must be reported as either germane to collective
10 bargaining, contract administration, or grievance processing, or not so
11 related.

12 (3) The bargaining representative must disclose information to all
13 members of the bargaining unit and to the general public by filing with
14 the commission a report signed by its president and secretary or
15 corresponding principal officers, and containing the following
16 information:

17 (a) The name of the labor organization, its mailing address, and
18 any other address at which it maintains its principal office or at
19 which it keeps records;

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

21 (c) The initiation fee or fees required from a new or transferred
22 member;

23 (d) The regular dues or fees or other periodic payments required to
24 remain a member of the reporting labor organization; and

25 (e) Detailed statements regarding the provisions made and
26 procedures followed with respect to each of the following:

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

28 (ii) Levying of assessments;

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

30 (iv) Authorization for disbursement of funds of the labor
31 organization;

32 (v) Audit of financial transaction of the labor organization;

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

34 (vii) The selection of officers and stewards;

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

36 (ix) Imposition of fines, suspensions, and expulsions of members,
37 including the grounds for such action and any provision made for
38 notice, hearing, judgment, and appeal;

1 (x) Authorization for bargaining demands; and

2 (xi) Ratification of contract terms.

3 (4) Any change in the information required by subsection (3) of
4 this section must be reported to the commission at the time the
5 bargaining representative files with the commission the annual
6 financial report required in subsection (1) of this section.

7 (5) If, on a petition filed by the employer or any member of the
8 bargaining unit before expiration of the applicable union security
9 provision, the commission finds that a bargaining representative has
10 violated this subsection by failing or refusing to prepare the reports
11 as required in subsection (1) or (2) of this section or by preparing an
12 incomplete or inaccurate report, the commission shall order the refund
13 of all membership dues or agency shop fees to members of the bargaining
14 unit for the period covered by the report. On finding a second
15 violation by the bargaining representative, the commission shall also
16 order an employee election in the affected bargaining unit to determine
17 whether the employee organization will continue to be the bargaining
18 representative of the bargaining unit. The election shall be conducted
19 upon the expiration of the existing collective bargaining agreement
20 covering the affected bargaining unit.

21 **Sec. 7.** RCW 41.59.100 and 1975 1st ex.s. c 288 s 11 are each
22 amended to read as follows:

23 A collective bargaining agreement may include union security
24 provisions including an agency shop, but not a union or closed shop.
25 If an agency shop provision is agreed to((~~τ~~)): (1) The employer shall
26 enforce it by deducting from the salary payments to members of the
27 bargaining unit the dues required of membership in the bargaining
28 representative, or, for nonmembers thereof, a fee equivalent to such
29 dues; and (2) the exclusive bargaining representative must act in
30 accordance with section 8 of this act. All union security provisions
31 must safeguard the right of nonassociation of employees based on bona
32 fide religious tenets or teachings of a church or religious body of
33 which such employee is a member. Such employee shall pay an amount of
34 money equivalent to regular dues and fees to a nonreligious charity or
35 to another charitable organization mutually agreed upon by the employee
36 affected and the bargaining representative to which such employee would
37 otherwise pay the dues and fees. The employee shall furnish written

1 proof that such payment has been made. If the employee and the
2 bargaining representative do not reach agreement on such matter, the
3 commission shall designate the charitable organization.

4 NEW SECTION. **Sec. 8.** A new section is added to chapter 41.59 RCW
5 to read as follows:

6 (1) If an agency shop provision is agreed to, the exclusive
7 bargaining representative must annually, not more than ninety days
8 after the end of its fiscal year, provide financial disclosure
9 information to all members of the bargaining unit and to the general
10 public by filing with the commission a report containing the following
11 information, detailed by functional spending categories, that
12 accurately discloses its financial condition and operations for the
13 preceding fiscal year:

14 (a) Assets and liabilities at the beginning and end of the fiscal
15 year;

16 (b) Salary, the cost of fringe benefits, allowances, and other
17 direct or indirect disbursements to each officer of the local, the
18 exclusive bargaining representative, and the support staff, as well as
19 all contributions to state or national affiliates and any official or
20 employee thereof;

21 (c) All income received or the value of services furnished to an
22 exclusive bargaining representative by either a parent affiliated labor
23 organization or by any other labor organization on behalf of the
24 exclusive bargaining representative;

25 (d) An itemization of the total amount spent by the exclusive
26 bargaining representative for:

27 (i) Contract negotiation and administration;

28 (ii) Organizing activities;

29 (iii) Strike activities;

30 (iv) Litigation, specifying the matters and cases involved;

31 (v) Public relations activities;

32 (vi) Political activities;

33 (vii) Activities attempting to influence the passage or defeat of
34 federal, state, or local legislation or the content or enforcement of
35 federal, state, or local regulations or policies;

36 (viii) Voter education and issue advocacy activities;

1 (ix) Training activities for each officer of the exclusive
2 bargaining representative or employee organization support staff; and

3 (x) Conference, convention, and travel activities engaged in by the
4 exclusive bargaining representative;

5 (e) The percentage of the exclusive bargaining representative's
6 total expenditures that were spent for each of the activities described
7 in (d)(i) through (x) of this subsection;

8 (f) The names, addresses, and activities of any of the law firms,
9 public relations firms, or lobbyists whose services are used by the
10 exclusive bargaining representative for any activity described in
11 (d)(iv) through (x) of this subsection;

12 (g) A list of political candidates, political organizations,
13 charitable organizations, nonprofit organizations, and community
14 organizations to which the exclusive bargaining representative
15 contributed financial or in-kind assistance and the dollar amount of
16 such assistance; and

17 (h) The name and address of any political action committees with
18 which the exclusive bargaining representative is affiliated or to whom
19 it provides contributions, the total amount of contributions to such
20 committees, the candidates or causes to which such committees provided
21 any financial assistance, and the amount provided to each such
22 candidate or cause.

23 (2) The report required in subsection (1) of this section must be
24 prepared by an auditing organization, independent of the exclusive
25 bargaining representative, using generally accepted auditing standards
26 and generally accepted accounting principles, that ensures the accuracy
27 and veracity of the information provided by the exclusive bargaining
28 representative. All expenditures must be reported as either germane to
29 collective bargaining, contract administration, or grievance
30 processing, or not so related.

31 (3) The exclusive bargaining representative must disclose
32 information to all members of the bargaining unit and to the general
33 public by filing with the commission a report signed by its president
34 and secretary or corresponding principal officers, and containing the
35 following information:

36 (a) The name of the labor organization, its mailing address, and
37 any other address at which it maintains its principal office or at
38 which it keeps records;

1 (b) The name and title of each of its officers;
2 (c) The initiation fee or fees required from a new or transferred
3 member;
4 (d) The regular dues or fees or other periodic payments required to
5 remain a member of the reporting labor organization; and
6 (e) Detailed statements regarding the provisions made and
7 procedures followed with respect to each of the following:
8 (i) Qualifications for, or restrictions on, membership;
9 (ii) Levying of assessments;
10 (iii) Participating in insurance or other benefit plans;
11 (iv) Authorization for disbursement of funds of the labor
12 organization;
13 (v) Audit of financial transaction of the labor organization;
14 (vi) The calling of regular and special meetings;
15 (vii) The selection of officers and stewards;
16 (viii) Discipline or removal of officers or agents;
17 (ix) Imposition of fines, suspensions, and expulsions of members,
18 including the grounds for such action and any provision made for
19 notice, hearing, judgment, and appeal;
20 (x) Authorization for bargaining demands; and
21 (xi) Ratification of contract terms.
22 (4) Any change in the information required by subsection (3) of
23 this section must be reported to the commission at the time the
24 exclusive bargaining representative files with the commission the
25 annual financial report required in subsection (1) of this section.
26 (5) If, on a petition filed by the employer or any member of the
27 bargaining unit before expiration of the applicable union security
28 provision, the commission finds that an exclusive bargaining
29 representative has violated this subsection by failing or refusing to
30 prepare the reports as required in subsection (1) or (2) of this
31 section or by preparing an incomplete or inaccurate report, the
32 commission shall order the refund of all membership dues or agency shop
33 fees to members of the bargaining unit for the period covered by the
34 report. On finding a second violation by the exclusive bargaining
35 representative, the commission shall also order an employee election in
36 the affected bargaining unit to determine whether the employee
37 organization will continue to be the exclusive bargaining

1 representative of the bargaining unit. The election shall be conducted
2 upon the expiration of the existing collective bargaining agreement
3 covering the affected bargaining unit.

4 **Sec. 9.** RCW 41.76.045 and 2002 c 356 s 12 are each amended to read
5 as follows:

6 (1) Upon filing with the employer the voluntary written
7 authorization of a bargaining unit faculty member under this chapter,
8 the employee organization which is the exclusive bargaining
9 representative of the bargaining unit shall have the right to have
10 deducted from the salary of the bargaining unit faculty member the
11 periodic dues and initiation fees uniformly required as a condition of
12 acquiring or retaining membership in the exclusive bargaining
13 representative. Such employee authorization shall not be irrevocable
14 for a period of more than one year. Such dues and fees shall be
15 deducted from the pay of all faculty members who have given
16 authorization for such deduction, and shall be transmitted by the
17 employer to the employee organization or to the depository designated
18 by the employee organization.

19 (2) A collective bargaining agreement may include union security
20 provisions, but not a closed shop. If an agency shop or other union
21 security provision is agreed to(~~(7)~~): (a) The employer shall enforce
22 any such provision by deductions from the salary of bargaining unit
23 faculty members affected thereby and shall transmit such funds to the
24 employee organization or to the depository designated by the employee
25 organization; and (b) the exclusive bargaining representative must act
26 in accordance with section 10 of this act.

27 (3) A faculty member who is covered by a union security provision
28 and who asserts a right of nonassociation based on bona fide religious
29 tenets or teachings of a church or religious body of which such faculty
30 member is a member shall pay to a nonreligious charity or other
31 charitable organization an amount of money equivalent to the periodic
32 dues and initiation fees uniformly required as a condition of acquiring
33 or retaining membership in the exclusive bargaining representative.
34 The charity shall be agreed upon by the faculty member and the employee
35 organization to which such faculty member would otherwise pay the dues
36 and fees. The faculty member shall furnish written proof that such

1 payments have been made. If the faculty member and the employee
2 organization do not reach agreement on such matter, the dispute shall
3 be submitted to the commission for determination.

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

6 (1) If an agency shop or other union security provision is agreed
7 to, the exclusive bargaining representative must annually, not more
8 than ninety days after the end of its fiscal year, provide financial
9 disclosure information to all members of the bargaining unit and to the
10 general public by filing with the commission a report containing the
11 following information, detailed by functional spending categories, that
12 accurately discloses its financial condition and operations for the
13 preceding fiscal year:

14 (a) Assets and liabilities at the beginning and end of the fiscal
15 year;

16 (b) Salary, the cost of fringe benefits, allowances, and other
17 direct or indirect disbursements to each officer of the local, the
18 exclusive bargaining representative, and the support staff, as well as
19 all contributions to state or national affiliates and any official or
20 employee thereof;

21 (c) All income received or the value of services furnished to an
22 exclusive bargaining representative by either a parent affiliated labor
23 organization or by any other labor organization on behalf of the
24 exclusive bargaining representative;

25 (d) An itemization of the total amount spent by the exclusive
26 bargaining representative for:

- 27 (i) Contract negotiation and administration;
- 28 (ii) Organizing activities;
- 29 (iii) Strike activities;
- 30 (iv) Litigation, specifying the matters and cases involved;
- 31 (v) Public relations activities;
- 32 (vi) Political activities;
- 33 (vii) Activities attempting to influence the passage or defeat of
34 federal, state, or local legislation or the content or enforcement of
35 federal, state, or local regulations or policies;
- 36 (viii) Voter education and issue advocacy activities;

1 (ix) Training activities for each officer of the exclusive
2 bargaining representative or employee organization support staff; and

3 (x) Conference, convention, and travel activities engaged in by the
4 exclusive bargaining representative;

5 (e) The percentage of the exclusive bargaining representative's
6 total expenditures that were spent for each of the activities described
7 in (d)(i) through (x) of this subsection;

8 (f) The names, addresses, and activities of any of the law firms,
9 public relations firms, or lobbyists whose services are used by the
10 exclusive bargaining representative for any activity described in
11 (d)(iv) through (x) of this subsection;

12 (g) A list of political candidates, political organizations,
13 charitable organizations, nonprofit organizations, and community
14 organizations to which the exclusive bargaining representative
15 contributed financial or in-kind assistance and the dollar amount of
16 such assistance; and

17 (h) The name and address of any political action committees with
18 which the exclusive bargaining representative is affiliated or to whom
19 it provides contributions, the total amount of contributions to such
20 committees, the candidates or causes to which such committees provided
21 any financial assistance, and the amount provided to each such
22 candidate or cause.

23 (2) The report required in subsection (1) of this section must be
24 prepared by an auditing organization, independent of the exclusive
25 bargaining representative, using generally accepted auditing standards
26 and generally accepted accounting principles, that ensures the accuracy
27 and veracity of the information provided by the exclusive bargaining
28 representative. All expenditures must be reported as either germane to
29 collective bargaining, contract administration, or grievance
30 processing, or not so related.

31 (3) The exclusive bargaining representative must disclose
32 information to all members of the bargaining unit and to the general
33 public by filing with the commission a report signed by its president
34 and secretary or corresponding principal officers, and containing the
35 following information:

36 (a) The name of the labor organization, its mailing address, and
37 any other address at which it maintains its principal office or at
38 which it keeps records;

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

2 (c) The initiation fee or fees required from a new or transferred
3 member;

4 (d) The regular dues or fees or other periodic payments required to
5 remain a member of the reporting labor organization; and

6 (e) Detailed statements regarding the provisions made and
7 procedures followed with respect to each of the following:

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

9 (ii) Levying of assessments;

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

11 (iv) Authorization for disbursement of funds of the labor
12 organization;

13 (v) Audit of financial transaction of the labor organization;

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

15 (vii) The selection of officers and stewards;

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

17 (ix) Imposition of fines, suspensions, and expulsions of members,
18 including the grounds for such action and any provision made for
19 notice, hearing, judgment, and appeal;

20 (x) Authorization for bargaining demands; and

21 (xi) Ratification of contract terms.

22 (4) Any change in the information required by subsection (3) of
23 this section must be reported to the commission at the time the
24 exclusive bargaining representative files with the commission the
25 annual financial report required in subsection (1) of this section.

26 (5) If, on a petition filed by the employer or any member of the
27 bargaining unit before expiration of the applicable union security
28 provision, the commission finds that an exclusive bargaining
29 representative has violated this subsection by failing or refusing to
30 prepare the reports as required in subsection (1) or (2) of this
31 section or by preparing an incomplete or inaccurate report, the
32 commission shall order the refund of all membership dues or agency shop
33 fees to members of the bargaining unit for the period covered by the
34 report. On finding a second violation by the exclusive bargaining
35 representative, the commission shall also order an employee election in
36 the affected bargaining unit to determine whether the employee
37 organization will continue to be the exclusive bargaining

1 representative of the bargaining unit. The election shall be conducted
2 upon the expiration of the existing collective bargaining agreement
3 covering the affected bargaining unit.

4 **Sec. 11.** RCW 47.64.160 and 1983 c 15 s 7 are each amended to read
5 as follows:

6 A collective bargaining agreement may include union security
7 provisions including an agency shop, but not a union or closed shop.
8 If an agency shop provision is agreed to(~~(7)~~): (1) The employer shall
9 enforce it by deducting from the salary payments to members of the
10 bargaining unit the dues required of membership in the bargaining
11 representative, or, for nonmembers thereof, a fee equivalent to such
12 dues; and (2) the bargaining representative must act in accordance with
13 section 12 of this act. All union security provisions shall safeguard
14 the right of nonassociation of employees based on bona fide religious
15 tenets or teachings of a church or religious body of which such
16 employee is a member. Such employee shall pay an amount of money
17 equivalent to regular dues and fees to a nonreligious charity or to
18 another charitable organization mutually agreed upon by the employee
19 affected and the bargaining representative to which such employee would
20 otherwise pay the dues and fees. The employee shall furnish written
21 proof that such payment has been made. If the employee and the
22 bargaining representative do not reach agreement on such matter, the
23 commission shall designate the charitable organization.

24 NEW SECTION. **Sec. 12.** A new section is added to chapter 47.64 RCW
25 to read as follows:

26 (1) If an agency shop provision is agreed to, the bargaining
27 representative must annually, not more than ninety days after the end
28 of its fiscal year, provide financial disclosure information to all
29 members of the bargaining unit and to the general public by filing with
30 the public employment relations commission a report containing the
31 following information, detailed by functional spending categories, that
32 accurately discloses its financial condition and operations for the
33 preceding fiscal year:

34 (a) Assets and liabilities at the beginning and end of the fiscal
35 year;

1 (b) Salary, the cost of fringe benefits, allowances, and other
2 direct or indirect disbursements to each officer of the local, the
3 bargaining representative, and the support staff, as well as all
4 contributions to state or national affiliates and any official or
5 employee thereof;

6 (c) All income received or the value of services furnished to a
7 bargaining representative by either a parent affiliated labor
8 organization or by any other labor organization on behalf of the
9 bargaining representative;

10 (d) An itemization of the total amount spent by the bargaining
11 representative for:

12 (i) Contract negotiation and administration;

13 (ii) Organizing activities;

14 (iii) Strike activities;

15 (iv) Litigation, specifying the matters and cases involved;

16 (v) Public relations activities;

17 (vi) Political activities;

18 (vii) Activities attempting to influence the passage or defeat of
19 federal, state, or local legislation or the content or enforcement of
20 federal, state, or local regulations or policies;

21 (viii) Voter education and issue advocacy activities;

22 (ix) Training activities for each officer of the bargaining
23 representative or employee organization support staff; and

24 (x) Conference, convention, and travel activities engaged in by the
25 bargaining representative;

26 (e) The percentage of the bargaining representative's total
27 expenditures that were spent for each of the activities described in
28 (d)(i) through (x) of this subsection;

29 (f) The names, addresses, and activities of any of the law firms,
30 public relations firms, or lobbyists whose services are used by the
31 bargaining representative for any activity described in (d)(iv) through
32 (x) of this subsection;

33 (g) A list of political candidates, political organizations,
34 charitable organizations, nonprofit organizations, and community
35 organizations to which the bargaining representative contributed
36 financial or in-kind assistance and the dollar amount of such
37 assistance; and

1 (h) The name and address of any political action committees with
2 which the bargaining representative is affiliated or to whom it
3 provides contributions, the total amount of contributions to such
4 committees, the candidates or causes to which such committees provided
5 any financial assistance, and the amount provided to each such
6 candidate or cause.

7 (2) The report required in subsection (1) of this section must be
8 prepared by an auditing organization, independent of the bargaining
9 representative, using generally accepted auditing standards and
10 generally accepted accounting principles, that ensures the accuracy and
11 veracity of the information provided by the bargaining representative.
12 All expenditures must be reported as either germane to collective
13 bargaining, contract administration, or grievance processing, or not so
14 related.

15 (3) The bargaining representative must disclose information to all
16 members of the bargaining unit and to the general public by filing with
17 the commission a report signed by its president and secretary or
18 corresponding principal officers, and containing the following
19 information:

20 (a) The name of the labor organization, its mailing address, and
21 any other address at which it maintains its principal office or at
22 which it keeps records;

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

24 (c) The initiation fee or fees required from a new or transferred
25 member;

26 (d) The regular dues or fees or other periodic payments required to
27 remain a member of the reporting labor organization; and

28 (e) Detailed statements regarding the provisions made and
29 procedures followed with respect to each of the following:

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

31 (ii) Levying of assessments;

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

33 (iv) Authorization for disbursement of funds of the labor
34 organization;

35 (v) Audit of financial transaction of the labor organization;

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

37 (vii) The selection of officers and stewards;

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

1 (ix) Imposition of fines, suspensions, and expulsions of members,
2 including the grounds for such action and any provision made for
3 notice, hearing, judgment, and appeal;

4 (x) Authorization for bargaining demands; and

5 (xi) Ratification of contract terms.

6 (4) Any change in the information required by subsection (3) of
7 this section must be reported to the commission at the time the
8 bargaining representative files with the commission the annual
9 financial report required in subsection (1) of this section.

10 (5) If, on a petition filed by the employer or any member of the
11 bargaining unit before expiration of the applicable union security
12 provision, the commission finds that a bargaining representative has
13 violated this subsection by failing or refusing to prepare the reports
14 as required in subsection (1) or (2) of this section or by preparing an
15 incomplete or inaccurate report, the commission shall order the refund
16 of all membership dues or agency shop fees to members of the bargaining
17 unit for the period covered by the report. On finding a second
18 violation by the bargaining representative, the commission shall also
19 order an employee election in the affected bargaining unit to determine
20 whether the employee organization will continue to be the bargaining
21 representative of the bargaining unit. The election shall be conducted
22 upon the expiration of the existing collective bargaining agreement
23 covering the affected bargaining unit.

24 NEW SECTION. **Sec. 13.** This act takes effect July 1, 2006.

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