
SUBSTITUTE SENATE BILL 6300

State of Washington

63rd Legislature

2014 Regular Session

By Senate Commerce & Labor (originally sponsored by Senators Becker, Rivers, Braun, and Angel)

READ FIRST TIME 02/06/14.

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

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

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

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

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

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

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

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

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

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

19 (ii) Levying of assessments;

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

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

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

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

25 (vii) The selection of officers and agents;

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

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

30 (x) Authorization for bargaining demands; and

31 (xi) Ratification of contract terms.

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

36 (3) Each employee organization representing one hundred or more
37 employees must annually, not more than ninety days after the end of its

1 fiscal year, file with the commission a financial report signed by its
2 president or treasurer or corresponding principal officers containing
3 the following information in such detail as may be necessary to
4 accurately disclose its financial condition and operations for its
5 preceding fiscal year:

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

8 (b) Receipts of any kind and the sources thereof;

9 (c) Salary, allowances, and other direct or indirect disbursements
10 including reimbursed expenses, to each officer and also to each
11 employee who, during such fiscal year, received more than ten thousand
12 dollars in the aggregate from such labor organization and any other
13 labor organization affiliated with it or with which it is affiliated,
14 or which is affiliated with the same national or international labor
15 organization;

16 (d) Direct and indirect loans made to any officer, employee, or
17 member, which aggregated more than two hundred fifty dollars during the
18 fiscal year, together with a statement of the purpose, security, if
19 any, and arrangements for repayment;

20 (e) Direct and indirect loans to any business enterprise, together
21 with a statement of the purpose, security, if any, and arrangements for
22 repayment; and

23 (f) Other disbursements made by it including the purposes thereof,
24 all in such categories as the commission may prescribe.

25 (4) The commission has rule-making authority to ensure that the
26 reports required under subsections (1) and (3) of this section are
27 consistent with the reporting requirements established by the labor
28 management reporting and disclosure act of 1959 and the regulations
29 adopted under that act.

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

35 (6) The commission shall preserve the statements or reports filed
36 under subsections (1) and (3) of this section for a minimum of ten
37 years. The contents of the reports and documents filed with the
38 commission under subsections (1) and (3) of this section are public

1 information and must be made available to the public in the following
2 manner: By ninety days after the effective date of this section, the
3 commission shall operate a web site or contract for the operation of a
4 web site that allows public access to reports, copies of reports, or
5 copies of data and information submitted in reports, filed with the
6 commission under subsections (1) and (3) of this section.

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

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

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

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

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

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

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

36 (12) An employee organization may satisfy the reporting
37 requirements under subsections (1) and (3) of this section by filing

1 with the commission copies of the reports required to be filed with the
2 United States department of labor under the labor management reporting
3 and disclosure act.

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

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

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

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

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

14 The requirements applicable to employee organizations under section
15 2 of this act apply to bargaining representatives under this chapter.

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

18 Section 2 of this act applies to employee organizations under this
19 chapter.

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

22 Section 2 of this act applies to employee organizations under this
23 chapter.

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

26 Section 2 of this act applies to employee organizations under this
27 chapter.

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

30 Section 2 of this act applies to bargaining representatives under

1 this chapter.

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

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