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**ENGROSSED SENATE BILL 5226**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Senators Becker, Braun, Warnick, Dammeier, and Benton

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

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

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

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

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

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

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

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

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

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

(ii) Levying of assessments;

(iii) Participating in insurance or other benefit plans;

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

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

(vi) The calling of regular and special meetings;

(vii) The selection of officers and agents;

(viii) Discipline or removal of officers or agents;

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

(x) Authorization for bargaining demands; and

(xi) Ratification of contract terms.

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

(3) Each employee organization representing one hundred or more employees must annually, not more than ninety days after the end of its fiscal year, file with the commission a financial report signed by its president or treasurer or corresponding principal officers containing the following information in such detail as may be necessary to accurately disclose its financial condition and operations for its preceding fiscal year:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(12) An employee organization may satisfy the reporting requirements under subsections (1) and (3) of this section by filing with the commission copies of the reports required to be filed with the United States department of labor under the labor management reporting and disclosure act.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NEW SECTION. **Sec.**  If specific funding for purposes of this act is not provided by June 30, 2015, in the omnibus operating appropriations act, this act is null and void.

NEW SECTION. **Sec.**  This act takes effect August 1, 2015.

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