
SENATE BILL 5371

State of Washington 65th Legislature 2017 Regular Session

By Senators Becker, Rivers, Brown, Braun, Angel, Warnick, and Honeyford

Read first time 01/20/17. Referred to Committee on Commerce, Labor & Sports.

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

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

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

20 The legislature intends for increased transparency and financial
21 disclosure to provide public sector workers with more complete,

1 timely, and comprehensible information about their union's financial
2 practices, investments, solvency, and expenditures to empower them to
3 protect their personal financial interests and exercise their
4 democratic rights of self-governance.

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

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

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

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

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

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

18 (ii) Levying of assessments;

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

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

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

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

24 (vii) The selection of officers and agents;

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

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

29 (x) Authorization for bargaining demands; and

30 (xi) Ratification of contract terms.

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

35 (3) Each employee organization representing one hundred or more
36 employees must annually, not more than ninety days after the end of
37 its fiscal year, file with the commission a financial report signed
38 by its president or treasurer or corresponding principal officers
39 containing the following information in such detail as may be

1 necessary to accurately disclose its financial condition and
2 operations for its preceding fiscal year:

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

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

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

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

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

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

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

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

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

1 or copies of data and information submitted in reports, filed with
2 the commission under subsections (1) and (3) of this section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28 NEW SECTION. **Sec. 10.** If specific funding for purposes of this
29 act is not provided by June 30, 2017, in the omnibus operating
30 appropriations act, this act is null and void.

1 NEW SECTION. **Sec. 11.** This act takes effect August 1, 2017.

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