## **BILL ANALYSIS**

Senate Research Center 85S10171 JTS-F

S.B. 7 By: Hughes et al. Business & Commerce 7/22/2017 As Filed

## **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Even though Texas is a "right-to-work" state, public employees may currently authorize one or more monthly deductions from their salary or wages to pay membership fees to eligible employee organizations, which may include an association, union, or other organization that advocates the interests of employees. Texas is now one of only a handful of states that still collects union dues from the paychecks of its public employees. There is nothing wrong with public or private sector employees voluntarily joining unions to engage in collective bargaining and discuss employment. However, most states have chosen to eliminate the practice of collecting dues from the paychecks of public employees largely in part because the government should have no official role in the affairs of trade unions, labor unions, employees' associations, or professional associations. Texas Republican voters also agreed with this sentiment during the 2016 Republican primary election; a resounding 82.95 percent, or 2,126, 533, of Republican voters voted to prohibit governmental entities from collecting dues for labor unions through deductions from public employee paychecks.

Under S.B. 7, state, county, and municipal employers are prohibited from directly collecting union dues from employee paychecks with exceptions for state, county, and municipal fire, police, and emergency medical services employees. The purpose of the bill is to remove the government, who in this case is the employer, from its current role as a middle-man between employees and their unions or associations.

As proposed, S.B. 7 amends current law relating to payroll deductions for state and local government employee organizations.

## **RULEMAKING AUTHORITY**

Rulemaking authority previously granted to the Texas comptroller of public accounts is modified in SECTION 3 (Section 403.0165, Government Code) of this bill.

## **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 22.001(a), Education Code, to provide that a school district employee who is employed in a professional law enforcement capacity is entitled, rather than a school district employee is entitled, to have an amount deducted from the employee's salary for membership fees or dues to a professional organization.

SECTION 2. Amends the heading to Section 403.0165, Government Code, to read as follows:

Sec. 403.0165. PAYROLL DEDUCTION FOR STATE EMPLOYEE ORGANIZATION: CERTAIN FIREFIGHTERS, POLICE OFFICERS, AND EMERGENCY MEDICAL SERVICES PERSONNEL.

SECTION 3. Amends Sections 403.0165(a), (b), (c), and (d), Government Code, as follows:

(a) Authorizes a covered employee, rather than an employee, of a state agency to authorize a transfer each pay period from the employee's salary or wage payment for a membership fee in an eligible state employee organization. Makes a nonsubstantive change.

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- (b) Requires the Texas comptroller of public accounts (comptroller) to adopt rules for transfers by covered employees to a certified eligible state employee organization. Makes a conforming change.
- (c) Makes a conforming change.
- (d) Requires that a state employee organization, to be certified by the comptroller, have a current dues structure for covered state employees in place and operating in this state for a period of at least 18 months.

SECTION 4. Amends Section 403.0165(1), Government Code, by defining "covered employee of a state agency" to mean individuals employed by a state agency in certain law enforcement, firefighting, or emergency medical services capacities.

SECTION 5. Amends the heading to Chapter 617, Government Code, to read as follows:

CHAPTER 617. COLLECTIVE BARGAINING, STRIKES, AND PAYROLL DEDUCTIONS

SECTION 6. Amends Chapter 617, Government Code, by adding Section 617.006, as follows:

Sec. 617.006. PROHIBITION ON COLLECTION OF LABOR ORGANIZATION DUES. (a) Prohibits the state or a political subdivision, except as provided by Subsection (b), from deducting or withholding, or contracting to deduct or withhold, from an employee's salary or wages payment of dues or membership fees to a labor organization or other similar entity, including a trade union, labor union, employees' association, or professional organization.

- (b) Provides that Subsection (a) does not apply to deductions or withholding by certain entities.
- (c) Provides that Subsection (a) does not affect the ability of the state or a political subdivision of the state to deduct or withhold from an employee's salary or wages an amount for donation to a charitable organization determined to be eligible for participation in the state employee charitable campaign under Subchapter I (Charitable Contributions), Chapter 659 (Compensation).

SECTION 7. Amends Section 659.1031(a), Government Code, to authorize an employee of a state agency employed in a professional law enforcement capacity, rather than an employee of a state agency, to authorize in writing a deduction each pay period from the employee's salary or wage payment for payment to an eligible state employee organization of a membership fee in the organization.

SECTION 8. Amends the heading to Section 141.008, Local Government Code, to read as follows:

Sec. 141.008. PAYROLL DEDUCTIONS FOR CERTAIN MUNICIPAL FIREFIGHTERS, POLICE OFFICERS, AND EMERGENCY MEDICAL SERVICES PERSONNEL.

SECTION 9. Amends Section 141.008, Local Government Code, by amending Subsections (a), (a-1), and (a-2) and adding Subsection (a-3), as follows:

- (a) Provides that this section applies only to a municipal employee who meets certain criteria.
- (a-1) Redesignates existing Subsection (a) as Subsection (a-1) and makes no further changes to this subsection.

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- (a-2) Redesignates existing Subsection (a-1) as Subsection (a-2). Makes nonsubstantive changes. Requires the governing body to make the payroll deduction described by Subsection (a-1), rather than Subsection (a), if requested in writing by an employee who is a member of the municipality's fire department or emergency medical services personnel, rather than employees who are fire protection personnel as defined by Section 419.021 (Definitions), Government Code, if the municipality:
  - (1) receives revenue from the state; and
  - (2) permits deductions for purposes other than charity, health insurance, taxes, or other purposes for which the municipality is required by law to permit a deduction.
- (a-3) Redesignates existing Subsection (a-2) as Subsection (a-3). Requires the governing body of a municipality whose police department is not covered by a collective bargaining agreement or meet and confer agreement entered into under this code to make the payroll deduction described by Subsection (a-1) if:
  - (1) requested in writing by an employee who is a member of the municipality's police department, rather than by employees who are peace officers as defined by Article 2.12 (Who Are Peace Officers), Code of Criminal Procedure, and are not members of a police department covered by a collective bargaining agreement or meet-and-confer agreement entered into under this code; and
  - (2) makes no changes to this subdivision.
- SECTION 10. Amends Section 146.002(2), Local Government Code, to redefine "employee association."
- SECTION 11. Amends Section 146.003, Local Government Code, by adding Subsection (e), as follows:
  - (e) Provides that this chapter (Local Control of Municipal Employment Matters in Certain Municipalities) does not authorize an agreement for deducting or withholding payment of dues, fees, or contributions to a labor organization or other similar entity, including a trade union, labor union, employees' association, or professional organization in violation of Section 617.006, Government Code.
- SECTION 12. Amends Section 146.017, Local Government Code, as follows:
  - Sec. 146.017. AGREEMENT SUPERSEDES CONFLICTING PROVISIONS. (a) Includes the exception of Subsection (b).
    - (b) Prohibits a written meet and confer agreement ratified under this chapter from conflicting with or preempting Section 617.006, Government Code.
- SECTION 13. Amends Section 155.001(a), Local Government Code, as follows:
  - (a) Authorizes the commissioners court, on the request of a county employee, to authorize a payroll deduction to be made from the employee's wages or salary for:
    - (1) makes no changes to this subdivision;
    - (2) payment of membership dues in a labor union or a bona fide employees association if the requesting employee serves:
      - (A) in a professional law enforcement or firefighting capacity; or

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- (B) in a capacity that meets the definition of "emergency medical services personnel," as that term is defined by Section 773.003 (Definitions), Health and Safety Code;
- (3) and (4) makes no change to these subdivisions; or
- (5) payment relating to an item not listed in this subsection if the commissioners court determines that the payment serves a public purpose, unless the deduction would violate another law, including Section 617.006, Government Code.

SECTION 14. Effective date: December 1, 2017.

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