

SHB 2229 - H AMD 929

By Representative Taylor

WITHDRAWN 02/09/2012

1 On page 3, after line 25, insert the following:

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3 "NEW SECTION. **Sec. 2.** A new section is added to chapter 41.58
4 RCW to read as follows:

5 (1) This section applies to employee organizations that represent
6 employees of a hospital that is licensed under chapter 70.41 RCW and
7 is either a public employer under chapter 41.56 RCW or an agency or an
8 institution of higher education under chapter 41.80 RCW, and officers
9 and employees of such employee organizations.

10 (2)(a) An employee organization must annually, not more than sixty
11 days after the end of its fiscal year, provide financial disclosure
12 information to all employees in the bargaining unit and to the general
13 public by filing with the commission a report containing the salary,
14 the cost of fringe benefits, allowances, and other direct or indirect
15 disbursements to each officer of the local, the employee organization,
16 and the support staff, as well as all contributions to state or
17 national affiliates and any official or employee thereof for the
18 preceding fiscal year.

19 (b) The report required in (a) of this subsection must be prepared
20 by an auditing organization, independent of the employee organization,
21 using generally accepted auditing standards and generally accepted
22 accounting principles, that ensures the accuracy and veracity of the
23 information provided by the employee organization. All expenditures
24 must be reported as either germane to collective bargaining, contract
25 administration, or grievance processing, or not so related.

26 (3)(a) Every officer of an employee organization and every
27 employee of an employee organization, other than an employee

1 performing exclusively clerical or custodial services, shall file with
2 the commission within sixty days of the end of its fiscal year a
3 signed report listing and describing for the preceding fiscal year:

4 (i) Any stock, bond, security, loan given or received, or other
5 interest, legal or equitable, which he or she or a spouse or minor
6 child directly or indirectly held, and any income or any other benefit
7 with monetary value, including reimbursed expenses, in which he or she
8 or a spouse or minor child directly or indirectly derived from, any
9 business any part of which consists of buying from, selling or leasing
10 to, or otherwise dealing with, the employer;

11 (ii) Any stock, bond, security, loan given or received, or other
12 interest, legal or equitable, which he or she or a spouse or minor
13 child directly or indirectly held, and any income or any other benefit
14 with monetary value, including reimbursed expenses, in which he or she
15 or a spouse or minor child directly or indirectly derived from, a
16 business any part of which consists of buying from, or selling or
17 leasing directly or indirectly to, or otherwise dealing with, the
18 employee organization;

19 (iii) Any direct or indirect business transaction or arrangement
20 between him or her or a spouse or minor child and the employer or any
21 subsidiary thereof whose employees the organization represents or is
22 actively seeking to represent, except work performed and payments and
23 benefits received as a bona fide employee of the employer; and

24 (iv) Any payment of money or other thing of value, including
25 reimbursed expenses, which he or she or a spouse or minor child
26 received directly or indirectly from any person who acts as a labor
27 relations consultant to the employer.

28 (b) The provisions of (a) of this subsection do not require any
29 officer or employee to report his or her bona fide investments in
30 securities traded on a securities exchange registered as a national
31 securities exchange under the securities exchange act of 1934, in
32 shares in an investment company registered under the investment
33 company act, or in securities of a public utility holding company
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1 registered under the public utility holding company act of 1935, or to
2 report any income derived therefrom.

3 (4) Every person required to file any report under subsections (2)
4 and (3) of this section shall maintain records on the matters required
5 to be reported which will provide in sufficient detail the necessary
6 basic information and data from which the documents filed with the
7 commission may be verified, explained or clarified, and checked for
8 accuracy and completeness, and shall include vouchers, worksheets,
9 receipts, and applicable resolutions, and shall keep the records
10 available for examination for a period of not less than six years
11 after the filing of the documents based on the information which they
12 contain. The commission shall preserve the statements or reports for
13 not less than ten years. The contents of the reports and documents
14 filed with the commission under subsections (2) and (3) of this
15 section are public information and shall be made available to the
16 public in the following manners:

17 (a) The commission shall by rule make reasonable provision for the
18 inspection and examination, on the request of any person, of the
19 information and data contained in any report or other document filed
20 under subsections (2) and (3) of this section.

21 (b) The commission shall furnish copies of reports or other
22 documents filed with the commission under subsections (2) and (3) of
23 this section at a charge based on the cost of the service.

24 (c) By ninety days after the effective date of this section, the
25 commission shall operate a web site or contract for the operation of a
26 web site that allows public access to reports, copies of reports, or
27 copies of data and information submitted in reports, filed with the
28 commission under subsections (2) and (3) of this section.

29 (d) The employee organization must make copies of reports or other
30 documents filed under subsections (2) and (3) of this section
31 available to every employee in the bargaining unit, and must annually
32 notify every employee in the bargaining unit that the reports are
33 available on the commission's web site.

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1 (5) The commission may determine whether an actual violation of
2 this section has occurred, and following that determination issue and
3 enforce an appropriate order subject to the following terms:

4 (a) If the commission finds that an employee organization has
5 violated this section by failing or refusing to prepare the reports as
6 required in subsections (2) and (3) of this section or by preparing an
7 incomplete or inaccurate report, the commission shall issue an order
8 compelling compliance and assess a fine of fifty dollars for each day
9 each report was overdue.

10 (b) On finding a second violation by the employee organization,
11 the commission shall:

12 (i) Issue an order compelling compliance; and

13 (ii) Assess a fine of fifty dollars for each day each report was
14 overdue or order the refund of all membership dues or agency shop fees
15 to employees in the bargaining unit for the period covered by the
16 report, whichever amount is greater.

17 (c) On finding a third violation by the employee organization, the
18 commission shall:

19 (i) Issue an order compelling compliance;

20 (ii) Assess a fine of fifty dollars for each day each report was
21 overdue or order the refund of all membership dues or agency shop fees
22 to employees in the bargaining unit for the period covered by the
23 report, whichever amount is greater; and

24 (iii) Order an employee election in the affected bargaining unit
25 to determine whether the employee organization will continue to be the
26 exclusive bargaining representative of the bargaining unit. The
27 election shall be conducted upon the expiration of the existing
28 collective bargaining agreement covering the affected bargaining unit.

29 (d) The commission may make determinations and issue and enforce
30 orders at its own discretion or as a response to a petition filed by
31 the employer, any employee in the bargaining unit before expiration of
32 the applicable collective bargaining agreement, or any member of the
33 general public. The commission may, at its discretion, refer matters

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1 of compliance to the state attorney general or other enforcement
2 agency.

3 (6) Civil enforcement provisions:

4 (a) Any person who willfully violates this section shall be fined
5 not more than ten thousand dollars.

6 (b) Any person who makes a false statement or representation of a
7 material fact, knowing it to be false, or who knowingly fails to
8 disclose a material fact, in any document, report, or other
9 information required under this section shall be fined not more than
10 ten thousand dollars.

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

15 (d) Each individual required to sign reports under subsections (2)
16 and (3) of this section is personally responsible for the filing of
17 those reports and for any statement contained therein which he or she
18 knows to be false."

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20 Correct the title.

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EFFECT: Establishes reporting requirements for employee organizations that represent employees of hospitals that are licensed and also either a public employer (for public employee collective bargaining) or a state agency or institution of higher education (for state employee collective bargaining), and their officers and employees.

Employee Organization Reports - Requires employee organizations to file annual reports with the Public Employment Relations Commission (PERC) that contain the salaries, costs of fringe benefits, allowances, and other disbursements to officers and employees.

Officer and Employee Reports - Requires officers and most employees of employee organizations to file annual reports that list and describe:

- Any interest which the officer or employee (or a spouse or minor child) held and any benefit which the officer or

employee (or a spouse or minor child) derived from: a business any part of which consists of dealing with: (1) the business of an employer whose employees the labor organization represents; and (2) the labor organization.

- Any transaction or arrangement between the officer or employee (or a spouse or minor child) and any employer whose employees the labor organization represents; and
- Any payment which the officer or employee (or a spouse or minor child) received from any employer or any person who acts as a labor relations consultant to an employer.

Inspection of Reports - Requires the PERC to preserve the reports for not less than 10 years, provide for inspection and examination of information and data in the reports, furnish copies of reports for a charge, operate a web site that allows public access to reports, and make copies available to employees in the bargaining unit.

Civil Enforcement and Fines - Requires the PERC to issue orders compelling compliance and assess fines for overdue reports (\$50 for each day the report is overdue) and for willful violations of the reporting requirements (not more than \$10,000).

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