THE SENATE THIRTIETH LEGISLATURE, 2019 STATE OF HAWAII

S.B. NO. 481

JAN 1 8 2019

A BILL FOR AN ACT

RELATING TO COLLECTIVE BARGAINING.

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

1 SECTION 1. Chapter 89, Hawaii Revised Statutes, is amended 2 by adding a new section to be appropriately designated and to 3 read as follows: 4 "§89- Direct reimbursement. (a) Notwithstanding any 5 other provision of law to the contrary, a public employer shall 6 directly reimburse an employee organization for costs germane to 7 the collective bargaining process, contract administration, and 8 pursuing matters affecting wages, hours, and other conditions of 9 employment. 10 (b) The employee organization shall annually certify to 11 the employer the amount of permissible expenditures the employee 12 organization has actually incurred pursuant to the terms of

13 direct reimbursement under subsection (a); provided that:

14	(1)	If the employer agrees that the identified
15		expenditures are reimbursable under subsection (a),
16		the employer shall promptly reimburse the employee

17 organization for the certified amount; and



1

S.B. NO. 487

1	(2)	If the employer disagrees with any of the identified
2		expenditures, the employer shall petition the board
3		for review of the specific expenditures to be
4		challenged within thirty days. The employer shall set
5		aside the challenged expenditures in an escrow account
6		maintained by the employer, employee organization, or
7		board, and shall promptly reimburse the employee
8		organization for all other expenditures.
9	(c)	The procedures governing review of challenges brought
10	pursuant	to subsection (b)(2) shall be the same as those that
11	governing	challenges brought under this chapter and chapter 91.
12	(d)	An employee organization may choose to bargain for
13	other con	cessions regarding wages, hours, benefits, or other
14	terms or	conditions of employment in lieu of the reimbursement
15	the emplo	yee organization is entitled to under subsection (a).
16	(e)	The receipt of employer reimbursement by an employee
17	organizat	ion pursuant to subsection (a) for that employee
18	organizat	ion's collective bargaining activities shall not render
19	the emplo	yee organization a state or county contractor for
20	purposes	of part XIII of chapter 11."



Page 2

Page 3

S.B. NO. 487

SECTION 2. Section 89-3, Hawaii Revised Statutes, is
amended to read as follows:

3 "§89-3 Rights of employees. Employees shall have the 4 right of self-organization and the right to form, join, or 5 assist any employee organization for the purpose of bargaining 6 collectively through representatives of their own choosing on 7 questions of wages, hours, and other terms and conditions of 8 employment, and to engage in lawful, concerted activities for 9 the purpose of collective bargaining or other mutual aid or 10 protection, free from interference, restraint, or coercion. An 11 employee shall have the right to refrain from any or all of such 12 activities [, except for having a payroll deduction equivalent to 13 regular dues remitted to an exclusive representative as provided 14 in section 89 4]."

15 SECTION 3. Section 89-4, Hawaii Revised Statutes, is16 amended by amending subsection (a) to read as follows:

17 "(a) Upon receiving from an exclusive representative a 18 written statement specifying the amount of regular dues required 19 of its members in the appropriate bargaining unit, the employer 20 shall deduct this amount from the payroll of every member 21 employee in the appropriate bargaining unit and remit the amount



3

Page 4

S.B. NO. 487

1	to the exclusive representative. [Additionally, the employer
2	shall deduct an amount equivalent to the regular dues from the
3	payroll of every nonmember employee in the appropriate
4	bargaining unit, and shall remit the amount to the exclusive
5	representative; provided that the deduction from the payroll of
6	every nonmember employee shall be made only for an exclusive
7	representative that provides for a procedure for determining the
8	amount of a refund to any employee who demands the return of any
9	part of the deduction that represents the employee's pro rata
10	share of expenditures made by the exclusive representative for
11	activities of a political and ideological nature unrelated to
12	terms and conditions of employment. If a nonmember employee
13	objects to the amount to be refunded, the nonmember employee may
14	petition the board for review thereof within fifteen days after
15	notice of the refund has been received. If an employee
16	organization is no longer the exclusive representative of the
17	appropriate bargaining unit, the deduction from the payroll of
18	members and nonmembers shall terminate.]"
19	SECTION 4. Statutory material to be repealed is bracketed
20	and stricken. New statutory material is underscored.
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S.B. NO. 487

SECTION 5. This Act shall take effect on July 1, 2019.

INTRODUCED BY:

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S.B. NO. 487

Report Title:

Collective Bargaining; Public Employers; Public Employees; Employee Organizations; Direct Reimbursement; Payroll Deductions

Description:

Requires public employers to reimburse employee organizations for costs germane to the collective bargaining process, contract administration, and pursing matters affecting wages, hours, and other conditions of employment for public employees. Specifies requirement for direct reimbursement. Allows for an employee organization to bargain for other concession regarding wages, hours, benefits, or other terms or conditions of employment in lieu of the direct reimbursement. Repeals mandatory payroll deductions by public employers from nonmember employees of an exclusive bargaining unit.

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