STATE OF OKLAHOMA

2nd Session of the 53rd Legislature (2012)

SENATE BILL 1498 By: Brown

AS INTRODUCED

An Act relating to payroll deductions; creating the Oklahoma Paycheck Protection Act; providing short title; amending 62 O.S. 2011, Section 34.70, which relates to voluntary payroll deductions; limiting voluntary payroll deductions for certain purposes; deleting payroll deductions for the Oklahoma Public Employees Association; deleting payroll deduction and membership requirement for certain statewide public employee organizations; authorizing payroll deductions for Oklahoma United Way; modifying references; amending 70 O.S. 2011, Section 5-139, which relates to school districts; prohibiting certain payroll deductions; modifying language; excepting certain collective bargaining agreements for certain period of time; criminalizing certain payroll deductions by state agencies; defining terms; providing for codification; providing for noncodification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

This act shall be known and may be cited as the "Oklahoma Paycheck Protection Act".

SECTION 2. AMENDATORY 62 O.S. 2011, Section 34.70, is amended to read as follows:

Section 34.70. A. 1. Upon the request of a state employee, a state agency shall make voluntary payroll deductions for the employee to any credit union, bank, or savings association having an office in this state.

2. If the governing body of any county, municipality, or school district provides for voluntary payroll deductions to a credit union serving the employees of the county, municipality, or school district, it shall provide voluntary payroll deductions to any credit union, bank, or savings association having an office in this state which has a minimum participation of twenty percent (20%) of the employees of the county, municipality, or school district.

B. Upon the request of a state employee and pursuant to procedures established by the Administrator of the Office of Personnel Management, a state agency shall make payroll deductions for <u>the following purposes, provided that the primary or core function of the organization is nonpolitical and nonpartisan</u>:

1. The payment of any insurance premiums due a private insurance organization with a minimum participation of five hundred (500) state employees for life, accident, and health insurance which is supplemental to that provided for by the state;

2. The payment of any insurance premiums due a private insurance organization or service company which is regulated by the

State Insurance Commissioner and with a minimum participation of five hundred (500) state employees for legal services;

3. Premiums or payments for retirement plans with a minimum participation of five hundred (500) state employees for retirement plans which are supplemental to that provided for by the state;

4. Salary adjustment agreements included in a flexible benefits plan as authorized by the State Employees Flexible Benefits Act;

5. ~~Membership dues utilized for benefits, goods or services provided by the Oklahoma Public Employees Association to the organization's membership or any other statewide association limited to state employee membership with a minimum membership of two thousand (2,000) dues-paying members. For purposes of this paragraph, state agencies shall accept online or electronically submitted forms from the Oklahoma Public Employees Association and other state employee associations. The Office of Personnel Management shall develop and implement a verification process for online or electronically submitted forms which may include the use of electronic signature technology or other process as determined appropriate;~~

~~6. Contributions to any foundation organized pursuant to 26 U.S.C., Section 501(c)(3) of the Oklahoma Public Employees Association or any other statewide association limited to state employee membership with a minimum membership of two thousand (2,000) dues-paying members;~~

~~7.~~ Payments to a college savings account administered under the Oklahoma College Savings Plan Act ~~pursuant to Section 3970.1 et seq. of Title 70 of the Oklahoma Statutes~~;

~~8.~~ 6. Subscriptions to the Oklahoma Today magazine published by the State of Oklahoma through the Oklahoma Tourism and Recreation Department; ~~and~~

~~9.~~ 7. The payment of any insurance premiums due a private insurance organization, which is regulated by the State Insurance Commission, for an Oklahoma Long-Term Care Partnership Program approved policy pursuant to the Oklahoma Long-Term Care Partnership Act; and

8. Donations to Oklahoma United Way or any local chapter or division thereof.

C. The administrative costs of processing payroll deductions or administering salary adjustment agreements for insurance premiums as provided for in subsection B of this section shall be a charge of two percent (2%) of the gross annual premiums for insurance plans. The administrative costs of processing payroll deductions or administering salary adjustment agreements for payments for retirement plans as provided for in subsection B of this section shall be one percent (1%) of the gross annual payments for retirement plans. These charges shall be collected monthly from the private insurance or retirement plan organization by the Office of Personnel Management and shall be deposited to the credit of the

General Revenue Fund. Provided ~~that~~ however, these costs shall not be collected from state employees or state agencies unless otherwise directed in the Oklahoma State Finance Act.

D. ~~Any statewide association granted a payroll deduction prior to January 1, 2008, shall be exempt from the minimum state employee membership requirement.~~

~~E.~~ Approval of a payroll deduction or salary adjustment agreement for any insurance organization, line of coverage or policy shall not be construed as an assumption of liability, for the term of policy or the performance of the insurance organization, by this state, or any of its agencies or any officer or employee thereof. Contracts for such insurance shall be in all respects subject to the insurance laws of this state, and shall be enforceable solely pursuant to such laws.

~~F.~~ E. The Oklahoma Employment Security Commission is authorized to deduct from the wages or salary of its employees the employees' contribution to the Oklahoma Employment Security Commission Retirement Plan.

~~G.~~ F. Payroll deductions shall be made for premium payments for group insurance for retired members or beneficiaries of any state-supported retirement system upon proper authorization given by the member or beneficiary to the board from which the member or beneficiary is currently receiving retirement benefits.

~~H.~~ G. Upon request of instructional personnel employed at either the Oklahoma School for the Blind or the Oklahoma School for the Deaf and pursuant to procedures established by the Administrator of the Office of Personnel Management, the Commission for Rehabilitation Services shall make payroll deductions for membership dues in any statewide educational employee organization or association.

~~I.~~ H. Upon the request of a state employee of the Department of Corrections, the Department shall make voluntary payroll deductions for the employee to the Correctional Peace Officer Foundation.

SECTION 3. AMENDATORY 70 O.S. 2011, Section 5-139, is amended to read as follows:

Section 5-139. A. School districts shall ~~make~~ be prohibited from making payroll deductions for either or both professional organization dues and political contributions ~~upon the request of any school employee and shall transmit deducted funds to the organization designated by the~~ on behalf of a school district employee. ~~Such deductions shall be on a ten-month basis unless otherwise designated by the employee organization. However, a school employee may request in writing at any time for the school district to immediately terminate or initiate payroll deductions to a professional organization. Upon receipt of a request the school district shall within five (5) business days or by the next pay~~

~~period, whichever is earlier, terminate or initiate any future payroll deductions of the requesting school employee to a~~

B. Nothing in this section shall be construed to effect any collective bargaining agreement in existence on the effective date of this act between a union, professional organization~~. Upon receipt of a request the~~ or other entity and a school district ~~shall notify the professional organization of the initiation or termination of payroll deductions within fifteen (15) business days. If the request is to terminate a deduction~~, provided that upon renewal of the agreement, the school district shall not ~~make any advance payments to any professional organization of~~ agree to an automatic payroll deduction for any future membership dues ~~on behalf of the school employee~~ or political contributions.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 34.70-1 of Title 62, unless there is created a duplication in numbering, reads as follows:

A. Except as provided in subsection B of Section 5-139 of Title 70 of the Oklahoma Statutes for collective bargaining agreements in existence on the effective date of this act, it shall be unlawful for any state agency to make payroll deductions on behalf of a state employee for membership dues in any public employee association or organization or professional organization, or for political purposes.

B. For purposes of this section,

1. "State agency" means any office, officer, bureau, board, counsel, court, commission, institution, unit, division, body or house of the executive or judicial branches of the state government, whether elected or appointed, excluding political subdivisions of the state. State agency shall include public school districts, the Oklahoma State Regents for Higher Education, the institutions, centers, or other constituent agencies of The Oklahoma State System of Higher Education, the State Board of Career and Technology Education, Technology Center school districts, the State Legislature, and the office of the Governor; and

2. "Public employee" means an elected or appointed officer or employee or contract employee of a state agency as defined in this section, unless otherwise indicated.

SECTION 5. This act shall become effective January 1, 2013.

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