

1 STATE OF OKLAHOMA

2 1st Session of the 55th Legislature (2015)

3 SENATE BILL 328

By: Dahm

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6 AS INTRODUCED

7 An Act relating to payroll deductions; amending 62
8 O.S. 2011, Section 34.70, as amended by Section 393,
9 Chapter 304, O.S.L. 2012 (62 O.S. Supp. 2014, Section
10 34.70), which relates to voluntary payroll
11 deductions; limiting voluntary payroll deductions for
12 certain purposes; deleting payroll deductions for the
13 Oklahoma Public Employees Association; deleting
14 payroll deduction and membership requirement for
15 certain statewide public employee organizations;
16 amending 70 O.S. 2011, Section 5-139, which relates
17 to school districts; prohibiting certain payroll
18 deductions; excepting certain collective bargaining
19 agreements for certain period of time; criminalizing
20 certain payroll deductions by state agencies;
21 defining terms; providing for codification; and
22 providing an effective date.

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

24 SECTION 1. AMENDATORY 62 O.S. 2011, Section 34.70, as
amended by Section 393, Chapter 304, O.S.L. 2012 (62 O.S. Supp.
2014, 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.

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

8 B. Upon the request of a state employee and pursuant to
9 procedures established by the Director of the Office of Management
10 and Enterprise Services, a state agency shall make payroll
11 deductions for the following purposes:

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

16 2. The payment of any insurance premiums due a private
17 insurance organization or service company which is regulated by the
18 State Insurance Commissioner and with a minimum participation of
19 five hundred (500) state employees for legal services;

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

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

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

13 ~~6.~~ Contributions to any foundation organized pursuant to 26
14 U.S.C., Section 501(c)(3) of the Oklahoma Public Employees
15 Association or any other statewide association limited to state
16 employee membership with a minimum membership of two thousand
17 (2,000) dues-paying members;

18 ~~7.~~ 6. Payments to a college savings account administered under
19 the Oklahoma College Savings Plan Act ~~pursuant to Section 3970.1 et~~
20 ~~seq. of Title 70 of the Oklahoma Statutes;~~

21 ~~8.~~ 7. Subscriptions to the Oklahoma Today magazine published by
22 the State of Oklahoma through the Oklahoma Tourism and Recreation
23 Department; and
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1 ~~9.~~ 8. The payment of any insurance premiums due a private
2 insurance organization, which is regulated by the State Insurance
3 Commission, for an Oklahoma Long-Term Care Partnership Program
4 approved policy pursuant to the Oklahoma Long-Term Care Partnership
5 Act.

6 C. The administrative costs of processing payroll deductions or
7 administering salary adjustment agreements for insurance premiums as
8 provided for in subsection B of this section shall be a charge of
9 two percent (2%) of the gross annual premiums for insurance plans.
10 The administrative costs of processing payroll deductions or
11 administering salary adjustment agreements for payments for
12 retirement plans as provided for in subsection B of this section
13 shall be one percent (1%) of the gross annual payments for
14 retirement plans. These charges shall be collected monthly from the
15 private insurance or retirement plan organization by the Office of
16 Management and Enterprise Services and shall be deposited to the
17 credit of the General Revenue Fund. ~~Provided that,~~ however, these
18 costs shall not be collected from state employees or state agencies
19 unless otherwise directed in the Oklahoma State Finance Act.

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

23 ~~E.~~ Approval of a payroll deduction or salary adjustment
24 agreement for any insurance organization, line of coverage or policy

1 shall not be construed as an assumption of liability, for the term
2 of policy or the performance of the insurance organization, by this
3 state, or any of its agencies or any officer or employee thereof.
4 Contracts for such insurance shall be in all respects subject to the
5 insurance laws of this state, and shall be enforceable solely
6 pursuant to such laws.

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

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

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

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

4 SECTION 2. AMENDATORY 70 O.S. 2011, Section 5-139, is
5 amended to read as follows:

6 Section 5-139. A. School districts shall ~~make~~ be prohibited
7 from making payroll deductions for either or both professional
8 organization dues and political contributions ~~upon the request of~~
9 ~~any school employee and shall transmit deducted funds to the~~
10 ~~organization designated by the~~ on behalf of a school district
11 employee. ~~Such deductions shall be on a ten-month basis unless~~
12 ~~otherwise designated by the employee organization. However, a~~
13 ~~school employee may request in writing at any time for the school~~
14 ~~district to immediately terminate or initiate payroll deductions to~~
15 ~~a professional organization. Upon receipt of a request the school~~
16 ~~district shall within five (5) business days or by the next pay~~
17 ~~period, whichever is earlier, terminate or initiate any future~~
18 ~~payroll deductions of the requesting school employee to a~~

19 B. Nothing in this section shall be construed to affect any
20 collective bargaining agreement in existence on the effective date
21 of this act between a union, professional organization. ~~Upon~~
22 ~~receipt of a request the~~ or other entity and a school district shall
23 ~~notify the professional organization of the initiation or~~
24 ~~termination of payroll deductions within fifteen (15) business days.~~

1 ~~If the request is to terminate a deduction; provided, that upon~~
2 ~~renewal of the agreement~~ the school district shall not ~~make any~~
3 ~~advance payments to any professional organization of~~ agree to an
4 automatic payroll deduction for any future membership dues on behalf
5 of the school employee or political contributions.

6 SECTION 3. NEW LAW A new section of law to be codified
7 in the Oklahoma Statutes as Section 34.70.1 of Title 62, unless
8 there is created a duplication in numbering, reads as follows:

9 A. Except as provided in subsection B of Section 5-139 of Title
10 70 of the Oklahoma Statutes for collective bargaining agreements in
11 existence on the effective date of this act, it shall be unlawful
12 for any state agency to make payroll deductions on behalf of a state
13 employee for membership dues in any public employee association or
14 organization or professional organization, or for political
15 purposes.

16 B. For purposes of this section:

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

1 Education, technology center school districts, the State
2 Legislature, and the office of the Governor; and

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

6 SECTION 4. This act shall become effective November 1, 2015.

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