State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. **768**

1.1 A bill for an act

1.2 relating to public employment; specifying means for certain payroll deductions
1.3 and wage assignments; amending Minnesota Statutes 2016, sections 16A.133;
1.4 179A.06, subdivisions 3, 6; 181.06; 181.063.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2016, section 16A.133, is amended to read:

1.7 **16A.133 CREDIT UNION, PARKING, OTHER DEDUCTIONS.**

1.8 Subdivision 1. **Payroll direct deposit and deductions.** An agency head in the executive,

1.9 judicial, and legislative branch shall, upon written request signed by an employee, directly

1.10 deposit all or part of an employee's pay to those credit unions or financial institutions, as

1.11 defined in section 47.015, designated by the employee.

1.12 An agency head must, upon written request of an employee, deduct from the pay of the

1.13 employee a requested amount to be paid to the Minnesota Benefit Association, or to any

1.14 organizations contemplated by section 179A.06, of which the employee is a member. Any

1.15 such deductions must comply with section 181.06, subdivision 3, as applicable.

1.16 Subd. 2. **Parking, and the like.** With the written consent of an employee, an agency

1.17 head shall deduct from the employee's pay the amount needed to pay for services or facilities

1.18 supplied under law to the employee by the state. Food and housing, garage and parking

1.19 facilities, and other facilities and services may be paid for in this way. Any such deductions

1.20 must comply with section 181.06, subdivision 3, as applicable.

Section 1. 1

2.1 Sec. 2. Minnesota Statutes 2016, section 179A.06, subdivision 3, is amended to read:

2.2 Subd. 3. **Fair share fee.** (a) An exclusive representative may require employees who

2.3 are not members of the exclusive representative to contribute a fair share fee for services

2.4 rendered by the exclusive representative. The fair share fee must be equal to the regular

2.5 membership dues of the exclusive representative, less the cost of benefits financed through

2.6 the dues and available only to members of the exclusive representative. In no event may

2.7 the fair share fee exceed 85 percent of the regular membership dues. The exclusive

2.8 representative shall provide advance written notice of the amount of the fair share fee to

2.9 the employer and to unit employees who will be assessed the fee. The employer shall provide

2.10 the exclusive representative with a list of all unit employees.

2.11 A challenge by an employee or by a person aggrieved by the fee must be filed in writing

2.12 with the commissioner, the public employer, and the exclusive representative within 30

2.13 days after receipt of the written notice. All challenges must specify those portions of the

2.14 fee challenged and the reasons for the challenge. The burden of proof relating to the amount

2.15 of the fair share fee is on the exclusive representative. The commissioner shall hear and

2.16 decide all issues in these challenges.

2.17 The employer shall deduct the fee from the earnings of the employee and transmit the

2.18 fee to the exclusive representative 30 days after the written notice was provided. If a challenge

2.19 is filed, the deductions for a fair share fee must be held in escrow by the employer pending

2.20 a decision by the commissioner.

2.21 (b) Any public employer deduction of fair share fees from public employee wages must

2.22 comply with the requirements of section 181.06, subdivision 3.

2.23 Sec. 3. Minnesota Statutes 2016, section 179A.06, subdivision 6, is amended to read:

2.24 Subd. 6. **Dues checkoff.** Public employees have the right to request and be allowed dues

2.25 checkoff for the exclusive representative. In the absence of an exclusive representative,

2.26 public employees have the right to request and be allowed dues checkoff for the organization

2.27 of their choice. Employers must comply with the requirements of section 181.06, subdivision

2.28 3, in association with any such requests.

2.29 Sec. 4. Minnesota Statutes 2016, section 181.06, is amended to read:

2.30 **181.06 ASSIGNMENT OF WAGES; PAYROLL DEDUCTIONS.**

2.31 Subdivision 1. **Assignment of wages.** Every assignment, sale, or transfer, however made

2.32 or attempted, of wages or salary to be earned or to become due, in whole or in part, more

3.1   than 60 days from and after the date of making such transfer, sale or assignment shall be

3.2   absolutely void; provided however, that the foregoing restriction against transfer, sale or

3.3   assignment shall not apply to any assignment, sale or transfer of that portion of wages or

3.4   salary to be earned or to become due in excess of the first $1,500 per month where such

3.5   assignment is for less than five years.

3.6   Subd. 2. **Payroll deductions.** A written contract may be entered into between an employer

3.7   and an employee wherein the employee authorizes the employer to make payroll deductions

3.8   for the purpose of paying union dues, premiums of any life insurance, hospitalization and

3.9   surgical insurance, group accident and health insurance, group term life insurance, group

3.10   annuities or contributions to credit unions or a community chest fund, a local arts council,

3.11   a local science council or a local arts and science council, or Minnesota benefit association,

3.12   a federally or state registered political action committee, membership dues of a relief

3.13   association governed by sections 424A.091 to 424A.096 or Laws 2013, chapter 111, article

3.14   5, sections 31 to 42, or participation in any employee stock purchase plan or savings plan

3.15   for periods longer than 60 days, including gopher state bonds established under section

3.16   16A.645.

3.17   Subd. 3. **Certain payroll deductions; public employees.** (a) For the purposes of this

3.18   subdivision, "public employee" has the meaning given in section 179A.03, subdivision 14.

3.19   (b) Notwithstanding anything to the contrary, payroll deductions or assignments of wages

3.20   to pay public employee union dues or fair share fees, sometimes referred to as dues checkoff,

3.21   must conform to the requirements of this subdivision.

3.22   (c) An employer must not deduct or allow the deduction of union dues or fair share fees

3.23   from the wages of a public employee unless the employer and public employee have entered

3.24   into a written agreement, signed and dated by both parties, conforming to the requirements

3.25   of paragraph (d), at most one calendar year before the deduction.

3.26   (d) Any written agreement under this subdivision must be on a form provided by the

3.27   employer to the public employee at the start of employment and upon request by the public

3.28   employee. The form must:

3.29   (1) be printed on standard 8-1/2 by 11-inch paper, or in portable document format or

3.30   electronic format emulating such paper;

3.31   (2) use a font no smaller than 12-point throughout;

3.32   (3) contain a short and clear explanation of union dues and fair share fees, as applicable;

4.1   (4) contain a short and clear explanation of the reason for the form and the requirements

4.2   of this subdivision; and

4.3   (5) contain, in bold typeface, the amount to be deducted, per pay period and annually,

4.4   attributable to the union dues or fair share fees.

4.5   Sec. 5. Minnesota Statutes 2016, section 181.063, is amended to read:

4.6   **181.063 ASSIGNMENT OF WAGES, PUBLIC EMPLOYEES.**

4.7   (a) Any officer or employee of a county, town, city, school district, or the state, or any

4.8   department thereof, has the same right to sell, assign, or transfer salary or wages as any

4.9   officer of or person employed by any corporation, firm, or person.

4.10   (b) Any public employer deduction of fair share fees from public employee wages must

4.11   comply with the requirements of section 181.06, subdivision 3.