

REFERENCE TITLE: government employees; union dues; withholding

State of Arizona  
Senate  
Fiftieth Legislature  
First Regular Session  
2011

## **SB 1555**

Introduced by

Senators Murphy, Bundgaard, Yarbrough; Representatives Harper, Lesko,  
Montenegro, Smith D; Senators Allen, Barto, Biggs, Gould, Griffin, Klein,  
Melvin, Pearce R; Representatives Crandell, Forese, Mesnard

AN ACT

AMENDING SECTIONS 23-352 AND 38-612, ARIZONA REVISED STATUTES; RELATING TO  
WITHHOLDING OF WAGES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 23-352, Arizona Revised Statutes, is amended to  
3 read:

4 23-352. Withholding of wages

5 A. No employer may withhold or divert any portion of an employee's  
6 wages unless one of the following applies:

7 1. The employer is required or empowered to do so by state or federal  
8 law.

9 2. EXCEPT AS PROVIDED BY SUBSECTION B, the employer has prior written  
10 authorization from the employee.

11 3. There is a reasonable good faith dispute as to the amount of wages  
12 due, including the amount of any counterclaim or any claim of debt,  
13 reimbursement, recoupment or set-off asserted by the employer against the  
14 employee.

15 B. THIS STATE AND ANY COUNTY, MUNICIPALITY, SCHOOL DISTRICT OR OTHER  
16 POLITICAL SUBDIVISION OF THIS STATE MAY NOT WITHHOLD OR DIVERT ANY PORTION OF  
17 AN EMPLOYEE'S WAGES TO PAY FOR LABOR ORGANIZATION DUES.

18 Sec. 2. Section 38-612, Arizona Revised Statutes, is amended to read:

19 38-612. Administration of payroll salary deductions

20 A. There shall be no payroll salary deductions from the compensation  
21 of state officers or employees except as specifically authorized by federal  
22 law or regulation or by a statute of this state. No administrative agency of  
23 this state may authorize any other deduction.

24 B. In addition to those payroll salary deductions required by federal  
25 law or regulation or by statute, state officers or employees may authorize  
26 deductions to be made from their salaries or wages for the payment of:

27 1. Premiums on any health benefits, disability plans or group life  
28 plans provided for by statute and any existing insurance programs already  
29 provided by payroll deduction.

30 2. Shares or obligations to any state or federally chartered credit  
31 union established primarily for the purpose of serving state officers and  
32 employees and their families.

33 ~~3. Dues in a recognized association comprised principally of employees~~  
34 ~~and former employees of agencies of this state, subject to the following~~  
35 ~~criteria:~~

36 ~~(a) When comprised of at least one thousand state employees other than~~  
37 ~~employees of the state universities, the department of public safety and~~  
38 ~~academic personnel of the Arizona state schools for the deaf and the blind.~~

39 ~~(b) When comprised of at least twenty-five per cent of the academic~~  
40 ~~personnel or of the nonacademic employees of any state university.~~

41 ~~(c) When comprised of at least twenty-five per cent of the academic~~  
42 ~~personnel of the Arizona state schools for the deaf and the blind.~~

43 ~~(d) When comprised of at least five hundred state employees who are~~  
44 ~~certified as peace officers by the Arizona peace officer standards and~~  
45 ~~training board established by section 41-1821.~~

- 1           ~~4.~~ 3. Deferred compensation or tax sheltered annuity salary  
2 reductions when made under approved plans.
- 3           ~~5.~~ 4. Federal savings bond plans.
- 4           ~~6.~~ 5. Recurrent fees, charges or other payments payable to a state  
5 agency under a collection plan approved by the director of the department of  
6 administration.
- 7           ~~7.~~ 6. Contributions made to a charitable organization:  
8           (a) Organized and operated exclusively for charitable purposes and  
9 selected by the presidents of the state universities. Employees of the state  
10 universities shall be advised by form of the charitable organizations to  
11 which they may contribute through payroll salary deductions. The advisory  
12 provided under this subdivision shall be substantially similar to the  
13 following and prominently printed:  
14           "You may contribute to any charitable organization registered under  
15 internal revenue code section 501(c)(3), tax exempt status.  
16  
17           \_\_\_\_\_  
18           Charitable organization name"  
19           This subdivision applies only to academic personnel and nonacademic  
20 employees of the state universities.
- 21           (b) Organized and operated exclusively for charitable purposes,  
22 provided a fund drive by such an organization shall be applicable to all  
23 state agencies except the state universities covered under subdivision (a) of  
24 this paragraph and no state officer or employee of state agencies subject to  
25 this subdivision may authorize more than one deduction for charitable  
26 purposes to be in effect at the same time. This subdivision applies to all  
27 state agencies except the universities covered under subdivision (a) of this  
28 paragraph.
- 29           ~~8.~~ 7. Contributions made for the purpose of contributing to a fund  
30 raising campaign for a university or a club for faculty or staff, or both,  
31 ~~which~~ THAT is recognized by the university president and authorized by the  
32 Arizona board of regents. This paragraph applies only to academic personnel  
33 and nonacademic employees of the state universities.
- 34           ~~9.~~ 8. Charges payable for transportation expenses pursuant to section  
35 41-786.
- 36           ~~10.~~ 9. Payments ordered by courts of competent jurisdiction within  
37 this state.
- 38           ~~11.~~ 10. Automobile or homeowner's insurance premiums.
- 39           ~~12.~~ 11. Premiums for the following state sponsored group benefits that  
40 are established primarily for the purpose of serving state officers and  
41 employees and their families:  
42           (a) Long-term care insurance.  
43           (b) Critical care insurance.  
44           (c) Prepaid legal services.  
45           (d) Identity theft protection services.

1       ~~13.~~ 12. A computer system as defined in section 13-2301 for personal  
2 use.

3       ~~C. In order for the department of administration to establish and~~  
4 ~~maintain a dues deduction pursuant to subsection B, paragraph 3 of this~~  
5 ~~section, the department of administration may establish and maintain the~~  
6 ~~deduction without the appropriation of any additional monies or technological~~  
7 ~~improvements. The department of administration shall track all personnel~~  
8 ~~hours dedicated to dues deduction. The department of administration may~~  
9 ~~charge a fee to a recognized association that qualifies under subsection B,~~  
10 ~~paragraph 3 of this section for establishing the automatic dues deduction and~~  
11 ~~anytime changes are needed in the automatic dues deduction system as a result~~  
12 ~~of an increase or decrease in association dues. If the membership criteria~~  
13 ~~of a recognized association falls below the criteria set forth in subsection~~  
14 ~~B, paragraph 3 of this section, the recognized association shall be on~~  
15 ~~probation for one year. If the membership of a recognized association falls~~  
16 ~~below the criteria set forth in subsection B, paragraph 3 of this section for~~  
17 ~~more than one year, or if the members of the association engage in a work~~  
18 ~~slowdown or work stoppage, the dues deduction authorized by this section~~  
19 ~~shall immediately be discontinued.~~

20       ~~D.~~ C. For those state officers and employees under payroll systems  
21 ~~which~~ THAT are under the direction of the director of the department of  
22 administration, the director shall provide for the administration of payroll  
23 deductions for the purposes set forth in this section. For all other state  
24 officers and employees and for persons receiving allowances or benefits under  
25 other state payroll and retirement systems, the appropriate state officer  
26 shall provide for such administration of payroll deductions. Such  
27 administration shall operate without cost or contribution from the state  
28 other than the incidental expense of making the deductions and remittances to  
29 the payees. If any payee requests additional services, the director of the  
30 department of administration or any other appropriate state officer may  
31 require payment for the additional cost of providing such services.

32       ~~E.~~ D. As a means of readily identifying the employee from whom  
33 payroll deductions are to be made, the state officer administering payroll  
34 deductions may request an employee to enter such employee's social security  
35 identification number on the payroll deduction authorization. Such number  
36 shall not be used for any other purpose.

37       ~~F.~~ E. The state, the director of the department of administration or  
38 any other appropriate state officer shall be relieved of any liability to  
39 employees authorizing deductions or organizations receiving deductions that  
40 may result from authorizations pursuant to this section.