

House Bill 1262

By: Representative Lunsford of the 110th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 1 of Title 34 of the Official Code of Georgia Annotated, relating to
2 general provisions relative to labor and industrial relations, so as to require labor
3 organizations to file annual financial reports with the Commissioner of Labor; to provide for
4 a short title; to provide for legislative intent and findings; to provide for definitions; to
5 require certain submissions by labor organizations to the Commissioner of Labor; to provide
6 for maintenance of substantiating records; to provide for access to members of the labor
7 organization; to provide for public access to the financial reports; to provide for the rules and
8 regulations; to provide for violations; to provide for civil actions; to provide for an exception;
9 to provide for an effective date and applicability; to provide for related matters; to repeal
10 conflicting laws; and for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 style="text-align:center">**SECTION 1.**

13 This Act shall be known and may be cited as the "Georgia Labor Organization Reporting and
14 Disclosure Act of 2006."

15 style="text-align:center">**SECTION 2.**

16 It is the intent of the General Assembly to protect the welfare and best interests of the
17 employee workforce in this state. The General Assembly finds and declares that a public
18 purpose is served by ensuring that labor organizations which serve members in various
19 segments of the workforce uphold their fiduciary duties to their members. The General
20 Assembly therefore declares that in its considered judgment, the public good and the general
21 welfare of the citizen workforce of this state requires the enactment of this Act.

1 (5) Detailed statements or references to specific provisions of documents filed under this
2 Code section which contain statements showing the provisions made and procedures
3 followed with respect to:

4 (A) Qualifications for or restrictions on membership;

5 (B) Levying of assessments;

6 (C) Participation in an insurance or other benefit plan;

7 (D) Authorization for disbursement of funds of the labor organization;

8 (E) Audit of financial transactions of the labor organization;

9 (F) The calling of regular and special meetings; and

10 (G) The selection of officers and stewards and of any representatives to other bodies
11 composed of labor organizations' representatives, with a specific statement of the
12 manner in which each officer was elected, appointed, or otherwise selected.

13 Any change in the information required by this subsection shall be reported to the
14 Commissioner at the time the reporting labor organization files its annual financial report
15 required by subsection (c) of this Code section.

16 (c) Every labor organization shall file annually with the Commissioner a financial report
17 signed by its president and treasurer or corresponding principal officers containing the
18 following information in such detail as may be necessary accurately to disclose its financial
19 condition and operations for its preceding fiscal year:

20 (1) Assets and liabilities at the beginning and end of the fiscal year;

21 (2) Receipts of any kind and the sources thereof;

22 (3) Salary, allowances, and other direct or indirect disbursements, including reimbursed
23 expenses, to each officer and also to each employee who received more than \$10,000.00
24 in the aggregate during the fiscal year from the labor organization and any other labor
25 organization affiliated with it or with which it is affiliated, or which is affiliated with the
26 same national labor organization;

27 (4) Direct and indirect loans made to any officer, employee, or member which
28 aggregated more than \$250 during the fiscal year, together with a statement of the
29 purpose, security, if any, and arrangements for repayment;

30 (5) Direct and indirect loans to any business enterprise, together with a statement of the
31 purpose, security, if any, and arrangements for repayment; and

32 (6) Other disbursements made by it including the purposes thereof.

33 These shall be in such categories as prescribed by the Commissioner. The report required
34 pursuant to this subsection shall be filed no later than 90 days after the end of the fiscal
35 year of the labor organization.

36 (d) Every labor organization required to submit a financial report under this Code section
37 shall maintain records on the matters required to be included in the report that will provide

1 sufficient detail to verify, explain, clarify, and ensure the accuracy and completeness of the
2 information and data contained in the report. The records maintained shall include, but not
3 be limited to, vouchers, worksheets, receipts, and applicable resolutions of the labor
4 organization. The records maintained for a fiscal year report shall be preserved for a period
5 of not less than five years after the filing of the report.

6 (e) Every labor organization required to submit a financial report under this Code section
7 shall make available to all of its members the information required to be contained in such
8 report as well as the substantiating records maintained pursuant to subsection (d) of this
9 Code section. The financial report required by this subsection shall include the content and
10 information in the manner as required by the U. S. Department of Labor forms LM-2,
11 LM-3, and LM-4, as in effect on July 1, 2006, as deemed appropriate by the Commissioner.
12 The Commissioner shall be authorized to establish total annual receipt amount
13 requirements for each form.

14 (f) The reports submitted to the Commissioner by labor organizations pursuant to this
15 Code section shall be public records and subject to Article 4 of Chapter 18 of Title 50,
16 relating to the inspection of public records, and the Commissioner may make available in
17 any form, in his or her discretion, the reports and any information and data contained in
18 such reports. The Commissioner may use the information and data contained in such
19 reports for statistical and research purposes and may compile and publish such studies,
20 analyses, reports, and surveys based on such reports as he or she deems appropriate. The
21 Commissioner shall make available to the public each report within ten days of receipt of
22 any such report.

23 (g) The Commissioner shall be authorized and directed to promulgate rules and regulations
24 to implement the provisions of this Code section.

25 (h)(1) Any person who willfully violates this Code section shall be fined not more than
26 \$10,000.00, imprisoned for up to one year, or both.

27 (2) Any person who makes a false statement or representation of a material fact, knowing
28 it to be false, or who knowingly fails to disclose a material fact in any report filed
29 pursuant to this Code section shall be fined not more than \$10,000.00, imprisoned for up
30 to one year, or both.

31 (3) Any person who willfully makes a false entry in or willfully conceals, withholds, or
32 destroys any books, records, reports, or statements required to be maintained pursuant to
33 subsection (d) of this Code section shall be fined not more than \$10,000.00, imprisoned
34 for up to one year, or both.

35 (4) Each individual required to sign a financial report pursuant to subsection (c) of this
36 Code section shall be personally responsible for the filing of such reports and for any
37 statement contained therein which he or she knows to be false.

1 (i) Whenever it shall appear that any person has violated or is about to violate any of the
2 provisions of this Code section, the Commissioner may bring a civil action for such relief,
3 including injunctions, as may be appropriate.

4 (j) Any labor organization which is required to comply with and is in compliance with the
5 federal Labor-Management Reporting and Disclosure Act of 1959, as amended, shall not
6 be required to comply with this Code section."

7 **SECTION 4.**

8 This Act shall become effective on July 1, 2006 and shall be effective for each labor
9 organization for the labor organization's fiscal year ending on or next ensuing after July 1,
10 2006.

11 **SECTION 5.**

12 All laws and parts of laws in conflict with this Act are repealed.