

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017

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SENATE BILL 375  
State and Local Government Committee Substitute Adopted 4/25/17  
Third Edition Engrossed 4/26/17

Short Title: Limit Payroll Deduct./Wage Withhold.

(Public)

Sponsors:

Referred to:

March 27, 2017

A BILL TO BE ENTITLED

AN ACT REPEALING PUBLIC EMPLOYEE PAYROLL DEDUCTION FOR PAYMENTS  
TO EMPLOYEES' ASSOCIATIONS AND TO PROHIBIT WITHHOLDING OF  
EMPLOYEE WAGES FOR MEMBERSHIP FEES OR DUES.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 143B-426.40A reads as rewritten:

**"§ 143B-426.40A. Assignments of claims against State.**

...

(g) Payroll Deduction for Payments to Certain Employees' Associations Allowed.—An employee of the State or any of its political subdivisions, institutions, departments, bureaus, agencies or commissions, or any of its local boards of education or community colleges, who is a member of a domiciled employees' association that has at least 2,000 members, 500 of whom are employees of the State, a political subdivision of the State, or public school employees, may authorize, in writing, the periodic deduction each payroll period from the employee's salary or wages a designated lump sum to be paid to the employees' association. A political subdivision may also allow periodic deductions for a domiciled employees' association that does not otherwise meet the minimum membership requirements set forth in this paragraph. The total membership count and the State, political subdivision of the State, or public school employee membership count of a domiciled employees' association that has at least 2,000 members, 500 of whom are employees of the State, a political subdivision of the State, or public school employees, shall be verified and certified annually by the State Auditor.

An employee of any local board of education who is a member of a domiciled employees' association that has at least 40,000 members, the majority of whom are public school teachers, may authorize in writing the periodic deduction each payroll period from the employee's salary or wages a designated lump sum or sums to be paid for dues and voluntary contributions for the employees' association. The total membership count and the public school teacher membership count of a domiciled employees' association that has at least 40,000 members, the majority of whom are public school teachers, shall be verified and certified annually by the State Auditor.

An authorization under this subsection shall remain in effect until revoked by the employee. A plan of payroll deductions pursuant to this subsection for employees of the State and other association members shall become void if the employees' association engages in collective bargaining with the State, any political subdivision of the State, or any local school administrative unit. This subsection does not apply to county or municipal governments or any local governmental unit, except for local boards of education.

...."



1           **SECTION 2.** G.S. 95-25.8 reads as rewritten:

2   "**§ 95-25.8. Withholding of wages.**

3       ...

4       (a1) Notwithstanding subsection (a) of this section or any other provision of State law,  
5 an employer shall not withhold or divert any portion of an employee's wages for the purpose of  
6 paying a membership fee or dues to a membership association organized under 26 U.S.C.  
7 501(c)(5) or 26 U.S.C. 501(c)(6). This subsection shall not apply to the extent it conflicts with  
8 federal law.

9       ...."

10           **SECTION 3.** If any section or provision of this act is declared unconstitutional or  
11 invalid by the courts, it does not affect the validity of this act as a whole or any part other than  
12 the part declared to be unconstitutional or invalid.

13           **SECTION 4.** Section 2 of this act is effective when it becomes law and applies to  
14 agreements between employers and employees or labor organizations entered into, renewed, or  
15 extended on or after that date. The remainder of this act is effective when it becomes law.