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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 787 Session of  
2001

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INTRODUCED BY BELFANTI, YUDICHAK, GRUCELA, SURRA, RUFFING,  
GEORGE, DALEY, JAMES, CALTAGIRONE, STABACK, WALKO, HORSEY,  
LAUGHLIN, CRUZ, CAWLEY, MELIO, McCALL, SCRIMENTI, LEVDANSKY,  
YOUNGBLOOD, SHANER, DeWEESE, FREEMAN, BISHOP, KIRKLAND,  
HARHAI, BELARDI, KELLER, MYERS, PISTELLA AND COSTA,  
FEBRUARY 20, 2001

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REFERRED TO COMMITTEE ON LABOR RELATIONS, FEBRUARY 20, 2001

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AN ACT

1 Providing for labor concession liens.

2 The General Assembly of the Commonwealth of Pennsylvania  
3 hereby enacts as follows:

4 Section 1. Short title.

5 This act shall be known and may be cited as the Labor  
6 Concession Lien Law.

7 Section 2. Definitions.

8 The following words and phrases when used in this act shall  
9 have the meanings given to them in this section unless the  
10 context clearly indicates otherwise:

11 "Concession." A contractual reduction in wages or benefits.

12 "Employment site." One or more facilities at which employees  
13 are covered by an agreement between an employer and a union.

14 Section 3. Lien existence.

15 If a concession in anticipation of future benefits is agreed

1 to by an employer and a union in a collective bargaining  
2 agreement or other contract, the union granting the concession  
3 shall have a labor concession lien on behalf of its members  
4 covered by the agreement upon the property of the employer at  
5 the employment site for the value of the concession. The parties  
6 shall by agreement determine the nature and value of anticipated  
7 future benefits and the value of the concession.

8 Section 4. Attachment, notice and perfection.

9 A labor concession lien is perfected when the union files a  
10 notice of lien in the office of the recorder of deeds or  
11 prothonotary or other office that performs similar duties for  
12 the county in which the employment site is located. A notice of  
13 lien shall include all of the following information:

14 (1) The name of the employer.

15 (2) The name of the union.

16 (3) A legal description of the employment site that is  
17 subject to the lien and a description of all personal  
18 property that is subject to the lien.

19 (4) The conditions under which the lien may be released.

20 Section 5. Continuation.

21 A labor concession lien continues until the union releases it  
22 or by agreement of the parties the conditions under which the  
23 lien may be released are satisfied or by order of court.

24 Section 6. Priority.

25 A labor concession lien shall have priority over all liens  
26 that are filed or recorded after a labor concession lien is  
27 perfected except for any of the following:

28 (1) Tax and special assessment liens.

29 (2) A purchase money security interest in property  
30 obtained by the employer after the concession lien is

1       perfected and that is used as collateral to secure the  
2       purchase price.

3           (3) A lien filed or recorded for the nonpayment of wages  
4       owed to employees.

5           (4) A debt incurred to satisfy the conditions under  
6       which the lien may be released.

7       Section 7. Discharge or release.

8       An employer may have the lien discharged or released without  
9       agreement of the union only by filing a motion to show cause why  
10      the lien should be discharged or released and after a hearing on  
11      the merits by the court that results in a decision in favor of  
12      the employer.

13      Section 8. Lien proceeds.

14      A union shall distribute all proceeds obtained through  
15      enforcement of a labor concession lien to its members covered by  
16      the agreement that acknowledges the lien. The union may  
17      determine who is eligible to receive proceeds and the method for  
18      distributing the proceeds.

19      Section 9. Applicability.

20      This act shall apply to agreements entered into, renewed,  
21      extended or modified on the effective date of this act.

22      Section 10. Effective date.

23      This act shall take effect immediately.