

SUBJECT: Prohibiting cities and counties from adopting labor peace agreements

COMMITTEE: Urban Affairs — committee substitute recommended

VOTE: 5 ayes — Button, Shaheen, Middleton, Patterson, Swanson

4 nays — J. González, Goodwin, E. Johnson, Morales

0 absent

WITNESSES: For — Ellen Troxclair; (*Registered, but did not testify*: Jon Fisher, Associated Builders and Contractors of Texas; Corbin Van Arsdale, Associated General Contractors-Texas Building Branch; Adam Cahn, Cahnman's Musings; Annie Spilman, NFIB; James Hines, Texas Association of Business; Lisa Fullerton; David King)

Against — Susana Carbajal, City of Austin; Rick Levy, Texas AFL-CIO; (*Registered, but did not testify*: David King)

DIGEST: CSHB 3439 would prohibit cities and counties from adopting or enforcing an ordinance, order, or other measure that required a person to enter into a labor peace agreement or similar arrangement as a condition of being considered for or awarded a contract or otherwise engaging in a commercial transaction with the city or county.

The bill would define a "labor peace agreement" as an agreement between a person and the person's employees or an entity that represents or seeks to represent those employees that limits or otherwise interferes with the rights of the person under federal labor law.

The bill would take effect September 1, 2019, and would only apply to a contract entered into or renewed on or after that date.

SUPPORTERS SAY: CSHB 3439 would prevent cities and counties from requiring employers to give up rights guaranteed in federal law to benefit labor unions. Local governments in the past have required labor peace agreements when they

had financial or other interest in a particular facility or project, typically an airport, hotel, casino, or other hospitality-related facility. These agreements generally require the union to agree not to engage in strikes or other workplace disruptions in the interest of guaranteeing continued service in these areas. In exchange, the employer often will agree to provisions that can include requiring that any unionization vote take place by card-check rather than secret ballot, remaining neutral on unionization, or giving union organizers access to the workplace.

Some of these employer concessions, however, represent rights that are protected by federal law. Cities and counties should not require the alienation of guaranteed rights as a condition of doing business. The bill's definition of labor peace agreement would ensure that the only agreements that were prohibited were those that required employers to give up federally guaranteed rights.

In cities and counties with these agreements, non-union employers are effectively excluded from getting government work, and unions enjoy more leverage than they might otherwise, leading to employers who want to compete for government contracts feeling compelled to grant concessions to unions that they would otherwise not be inclined to make.

Cities and counties empower labor unions at the expense of employers. By prohibiting cities and counties from requiring labor peace agreements, the bill would allow individuals and companies to enjoy their guaranteed rights and would ensure a level economic playing field.

**OPPONENTS
SAY:**

CSHB 3439 would deny cities and counties the ability to determine the labor policies that work best for them. The primary purpose of a labor peace agreement is to prevent labor disruptions and ensure the public has continued access to important services. This is a valid goal, and cities and counties should be allowed to use this tool to pursue it.