



SAVE LOCAL BUSINESS ACT

Introduced by Rep. Bradley Byrne (R-AL)

BACKGROUND: Hiring. Work schedules. Pay increases. These are all decisions that take place between an employer and an employee. However, in 2015, the National Labor Relations Board (NLRB) placed itself squarely in the middle of the employer-employee relationship, changing it in a way that hurt working families and small businesses but empowered union interests. This prompted a similar expansion of the joint employer standard under the *Fair Labor Standards Act* (FLSA).

With these actions, the Obama administration and the NLRB discarded settled labor policy and blurred the lines of responsibility for decisions affecting the daily operations of local businesses across the country. Two or more employers can be considered joint employers for making a business agreement that “indirectly” or “potentially” impacts their employees’ day-to-day responsibilities and working environment.

This expanded standard threatens the freedom of independent business owners, discourages larger companies from contracting with smaller companies, and makes it harder for entrepreneurs to achieve the American Dream of owning a small business. **According to the American Action Forum, the joint employer scheme could result in 1.7 million fewer jobs.**

- *“Among other devastating consequences, the new joint employer standard will destroy smaller restaurant operators like me.”* – Ed Braddy, Burger King franchisee owner (MD)
- *“In the end, we may be forced out of business altogether, and that would harm not only our business but our community and the economy of our nation.”* – Mara Fortin, owner, Nothing Bundt Cakes (CA)
- *“This policy pits the little guy against the big. We can no longer be in this together; it’s every entity for itself. That’s not the dream on which America was built.”* – Jerry Reese, director of franchise development, Dat Dog (LA)

During the Obama administration, regulators and activist judges also expanded the joint employer scheme under the FLSA. Although the Trump administration has taken steps to provide some relief, further action is needed to provide certainty for America’s job creators and prevent future federal overreach.

The Save Local Business Act (H.R. 3441). The legislation amends the National Labor Relations Act and the Fair Labor Standards Act to clarify that two or more employers must have “actual, direct, and immediate” control over employees to be considered joint employers.

- ✓ **Roll back a convoluted joint employer scheme** that threatens job creation and undermines the American Dream.
- ✓ **Restore a commonsense definition of employer** to provide certainty and stability for workers and employers.
- ✓ **Protect workers and local employers from future overreach** by unelected bureaucrats and activist judges.