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EXPANSIVE LABOR RELATIONS LEGISLATION PASSES HOUSE

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On March 9, 2021, the Protecting the Right to Organize (PRO) Act, a bill that would provide significant protections for workers seeking to organize and bargain, cleared the House of Representatives on a 225-206 vote. Five Republicans joined Democrats in favor of the legislation.
The PRO Act is a significant overhaul of existing federal labor law. Among other things, the Act:

- Authorizes the National Labor Relations Board (NLRB) to assess monetary penalties for companies found to have violated workers' rights;
- Permits the NLRB to impose personal liability on corporate directors and officers who participate in violations of workers' rights or have knowledge of and fail to prevent such violations;
- Greatly expands the definition of "employee" to effectively reclassify many traditional independent contractors as "employees" subject to union representation;
- Effectively overrides state "right to work" laws that allow employees in union-represented workplaces to opt out of the union and not pay union dues;
- Prohibits employers from using mandatory arbitration agreements with employees

Supporters of the PRO Act say the law is critical to safeguarding workers' rights by making it easier for unions to exist and for workers to join unions. Critics of the bill say it will harm small businesses and entrepreneurs and expose employers to legal action.

While the bill has the support of President Biden, it is unlikely to advance in the Senate due to lack of Republican support. Democrats narrowly control the Senate, but not by enough votes to overcome a filibuster. Thus, the fate of the bill likely rests on whether the Senate eliminates the filibuster.

Passage of the PRO Act would represent a massive transformation of labor law and would significantly impact relations between employers and unions, requiring employers to carefully reassess their labor relations policies. Roetzel will continue to monitor developments as it relates to the legislation. For more information and insight on this matter, please contact one of the listed Roetzel attorneys.

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