

U.S. Rep. Grothman: Supports Save Local Business Act

Posted on Wednesday, Nov 8, 2017

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(Washington, D.C.) – Congressman Glenn Grothman (R-Glenbeulah) today voted in favor of the Save Local Business Act (H.R. 3441), which rolls back the National Labor Relations Board’s employer rule.

The joint-employer standard that was implemented under the Obama administration defines joint employer as those who have direct or indirect control over employees. For example, the expanded standard allows franchisors to control and heavily monitor franchisees in areas like hiring, firing and other day-to-day operations, which creates unnecessary burdens for franchisees.

This bill changes the definition of joint employer to ensure that it only refers to employers who have “actual, direct and immediate” control over employees.

“We should be encouraging small business owners and entrepreneurs as they work to grow their businesses, but the joint-employer standard as it is now only hurts these individuals,” said Grothman. “The Save Local Business Act does exactly what its name says, allowing small businesses and franchisee owners in Wisconsin and across the country – not government agencies and federal judges — to control their own businesses.”

Grothman previously voted for this bill when it passed the Education and the Workforce Committee in October.

The Save Local Business Act passed the U.S. House of Representatives by a vote of 242-181.

Background

In August 2015, the NLRB expanded the joint-employer standard to define joint employers as those who have direct or indirect control over employees. Under the new joint-employer standard, employers who contract with a separate company can share control over that company's workforce.

In June, The Trump administration's Department of Labor rescinded the Obama administration's guidance on the joint-employer standard. The 2015 NLRB ruling is also being challenged in court.

In a September Subcommittee on Workforce Protections and Subcommittee on Health, Employment, Labor and Pensions hearing, Congressman Grothman questioned franchisee owners and employment lawyers who agreed that the Obama-era joint-employer standard compromises employer-employee relationships for small business owners.