



**CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE**

November 12, 2015

**H.R. 3459  
Protecting Local Business Opportunity Act**

*As ordered reported by the House Committee on Education and the Workforce  
on October 28, 2015*

H.R. 3459 would amend the National Labor Relations Act (NLRA) to define “joint employer” to mean two or more employers who each share “actual, direct, and immediate control” over the terms and conditions of employment. In a recent ruling by the National Labor Relations Board, the Board concluded a “joint employer” relationship could be established when an employer exercises control over employment matters indirectly or such control is reserved to an employer by contract. In that ruling, the Board found that a company that had contracted with a staffing agency was a “joint employer” of the contract employees because the company had reserved the right to control some of the terms and conditions of their employment in its contract with the staffing agency. The bill would make it less likely that companies with similar contracting arrangements would be considered “joint employers” under the NLRA and, therefore, less likely such companies would be subject to collective bargaining and provisions related to unfair labor practices.

Implementing the bill would not affect the operations of federal and state agencies because the NLRA excludes federal governmental entities as well as states and political subdivisions of states from the definition of “employer” under the act.

Enacting H.R. 3459 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply. CBO estimates that enacting H.R. 3459 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2026.

H.R. 3459 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for this estimate is Christina Hawley Anthony. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.