

HOUSE BILL 1856

By Smith

AN ACT to amend Tennessee Code Annotated, Title 4;  
Title 9; Title 50 and Title 67, relative to labor.

WHEREAS, Tennessee, along with other states, has long recognized and protected the right of citizens to join, or refuse to join, a labor union or employee organization; and

WHEREAS, right to work laws expand workers' rights by giving them more financial freedom over the manner in which they can spend their hard-earned paychecks; and

WHEREAS, right to work laws protect both union and non-union members by allowing them to opt out of joining a union or paying dues in order to get or keep a job and, at the same time, protecting them from being fired for deciding to become a union member; and

WHEREAS, right to work laws reduce the financial incentive of organizing workplaces where unions have limited support or where companies treat their workers well, which makes unions less aggressive and encourages business investment and job creation; and

WHEREAS, Tennessee was ranked #1 Best Business Climate in the United States, according to Business Facilities' 15<sup>th</sup> Annual Rankings Report, and *Area Development* magazine has consistently named Tennessee as either the #2 or #3 State for Doing Business in the last three years; and

WHEREAS, right to work has played a crucial role in Tennessee's thriving economy; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 9, Chapter 1, Part 1, is amended by adding the following as a new section:

(a) As used in this section:

(1) "Employee" means a natural person who performs services for a private business for valuable consideration, and does not include a self-employed independent contractor; and

(2) "Private business" means a legal entity, whether for-profit or not-for-profit, engaged in commerce in this state.

(b) Notwithstanding a law to the contrary, on or after July 1, 2022, a private business is ineligible to receive a grant, award, tax credit, or other benefit paid through state funds if:

(1) The private business fails to provide educational instruction or informative documents to its employees on the right to designate through secret ballot an exclusive bargaining representative as described in § 50-1-901, and the right to not be subject to coercion or other unfair labor practices as described in 29 U.S.C. § 158; and

(2) The private business does not allow employees and any proposed bargaining representative named on an organization election ballot to have equal access to any areas where campaign activities are permitted without regard to the employee's or representative's support for, or opposition to, the designation proposed on the ballot.

(c) If the department of finance and administration finds that a private business violates this part, then the department shall withhold further state funds and seek a repayment of distributed state funds from the private business.

(d) The department of labor and workforce development shall make available to a private business on its website, at no cost to the private business, informative documents that, when given to employees, satisfy subdivision (b)(1).

SECTION 2. This act takes effect upon becoming a law, the public welfare requiring it, and applies to existing contracts and agreements to the extent that those contracts and agreements contain provisions allowing for the termination or suspension of funding in accordance with this act, and applies to all other contracts and agreements executed or modified on or after the effective date of this act.