



RPC Highlight

H.R. 4366 - *Save Local Business Act*

Sponsored by Rep. James Comer (KY-01)

Bill Summary:

The *Save Local Business Act* amends the *National Labor Relations Act* and the *Fair Labor Standards Act* to clarify that an employer may only be considered a “joint employer” if two or more employers of an individual employee have direct, actual, and immediate control over said employee.

This legislation rolls back the 2023 Biden administration joint employer rule which created a new standard for determining joint employer status, stating that two or more entities would be considered joint employers if they “share or codetermine the employees’ essential terms and conditions of employment.”

Policy Background:

The *Save Local Business Act* returns to the definition used by the National Labor Relations Board (NLRB) for over 30 years, which required that two entities have direct and immediate shared essential terms and conditions of employment to be considered joint employers. These terms include, but are not limited to, hiring, firing, and supervision.

In 2015, the NLRB created a new definition of joint employer, in the *Browning-Ferris Industries decision*, which includes entities that have indirect or reserved authority to control essential employment terms.

In 2020, under President Trump, the NLRB issued a final joint-employer rule, reinstating the longstanding definition used for joint-employers prior to 2015. This rule also defined key terms like “essential terms and conditions of employment” and what constitutes “direct and immediate control.”

In 2023, the Biden administration issued a final rule once again expanding the definition of joint employer; the rule allowed the NLRB to make a joint employer determination if an entity possesses the authority to directly, or indirectly, control an employees' essential terms or conditions of employment - even if the entity does not exercise that authority.

An op-ed from Chairman Hern and Representative Grothman can be found here.

Information from the Lead Sponsor's Office:

Presse release, July 15, 2025.

Committee Action:

This legislation received a markup and was reported favorably by the House Education and Workforce Committee on July 23, 2025, by a vote of 20-16.

A press release from the Education and Workforce Committee can be found here.

Previous House Consideration:

This legislation passed the House on November 7, 2017, by a vote of 242-181.

Previous materials from the Education and Workforce Committee:

- A press release can be found here.
- A fact sheet can be found here.
- Additional materials can be found here.

Outside Group Support:

This legislation is supported by the Coalition for a Democratic Workforce, IFA, American Hotel and Lodging Association, and Associated Builders and Contractors.