

By: Patterson

H.B. No. 540

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the authority of a municipality or county to require a  
3 labor peace agreement as a condition of engaging in a commercial  
4 transaction with the municipality or county.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Subchapter Z, Chapter 271, Local Government  
7 Code, is amended by adding Section 271.909 to read as follows:

8 Sec. 271.909. PROHIBITION ON LABOR PEACE AGREEMENTS. (a)

9 In this section, "labor peace agreement" means any agreement  
10 between a person and the employees of the person or an entity that  
11 represents or seeks to represent those employees that limits or  
12 otherwise interferes with the rights of the person under federal  
13 labor law.

14 (b) A municipality or county may not adopt or enforce an  
15 ordinance, order, or other measure that requires a person to enter  
16 into a labor peace agreement or to waive or limit any right of the  
17 person under federal labor law as a condition of:

18 (1) being considered for or awarded a contract; or

19 (2) otherwise engaging in a commercial transaction  
20 with the municipality or county.

21 SECTION 2. The change in law made by this Act applies only  
22 to a contract entered into or renewed on or after the effective date  
23 of this Act.

24 SECTION 3. This Act takes effect September 1, 2021.