



INSTITUTE

for the American Worker

Small Businesses Before Bureaucrats Backgrounder

Bill name: Small Businesses Before Bureaucrats Act, [H.R. 3400](#)

Sponsored by Rep. Bob Good (R-VA)

Background: The National Labor Relations Act applies to private-sector businesses that have a gross annual volume of business above certain financial thresholds, depending on the industry. A retailer, for example, falls under NLRB authority when revenue exceeds \$500,000 per year. For many non-retail businesses, that number falls to \$50,000. Those thresholds for the National Labor Relations Board's [jurisdictional standard](#) were set in 1958.

Rep. Good's "Small Businesses Before Bureaucrats Act" seeks to modernize the NLRB's jurisdictional standard by increasing the financial thresholds by a multiple of ten. Small business owners would once again be able to operate their businesses without the threat of interruption by government bureaucrats, just as was set in 1958.

In a statement announcing the bill's reintroduction, Rep. Good said, "Small businesses are the lifeblood of our economy and the backbone of our communities. The NLRB has used outdated standards to impose greater power over businesses which never should have been regulated by the Federal Government in the first place."

"Labor law is woefully out of date," said F. Vincent Vernuccio, president of Institute for the American Worker. "The Small Businesses Before Bureaucrats Act brings much needed updates to the jurisdictional standards that would benefit small employers. Congressman Good is simply bringing those standards in line with what Congress originally intended. Small businesses do not have and should not need an army of lawyers and HR professionals to comply with the NLRB's increasingly aggressive regulatory agenda. Congressman Good should be applauded for his efforts to protect mom and pop shop businesses and job creators."

Summary: Under Good's bill, the jurisdictional standard for non-retail businesses would increase from \$50,000 to \$500,000 and retailers from \$500,000 to \$5 million. The various other "special categories" in the NLRB's jurisdictional standards, such as health care and childcare institutions, would also increase by a multiple of ten.

Upon enactment of this legislation – and the immediate update to the NLRB's jurisdictional standards – there would be further, annual updates based on a "Personal Consumption Expenditure Per Capita Index," as completed by the U.S. Bureau of Economic Analysis, to reflect changes in expenditures for personal consumption by Americans on a per-capita

basis. Thereby the jurisdictional standards would keep pace with the changing economy and avoid once again becoming outdated.

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