



SENATE BILL 257: 2026 Appropriations Act, Sec. 39.7: Labor Organization Agreement Changes

2025-2026 General Assembly

Analysis of: S.L. 2026-41, Sec. 39.7

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Section 39.7 of S.L. 2026-41 (Senate Bill 257) makes changes to State labor laws as follows:

Labor Organization Agreements – This section makes it unlawful for any local government, local government agency, or policial subdivision of a local government to do either of the following:

- Withhold any license, permit, or zoning approval or provision of financial incentives from a business because a business declines to sign an agreement with a labor organization except as required by State or federal law.
- Condition the issuance of any license, permit, or zoning approval or provision of financial incentives on a requirement that an employer waive its right to communicate with employees regarding matters related to their employment or agree to restrict these communications unless the communications are allowed by State or federal law.

Wage and Hour Act – This section amends the Wage and Hour Act. Under current law and subject to some exceptions, the provisions of the Wage and Hour Act preempt any ordinance, resolution, or policy adopted by a local government or other political subdivision of the State that imposes any requirement on employers pertaining to compensation of employees.

This subsection does all of the following:

- Provides that prohibited regulations may not be applied in any lease, contract, or other arrangement to set levels for wages, benefits, or other terms and conditions of work and makes such contracts between units of local government and businesses unenforceable.
- Makes it unlawful for a unit of local government or one of its political subdivisions to require a business to participate in any council, committee, or task force that has the purpose of setting levels for wages, benefits, or other terms and conditions of work.
- Excludes local governments holding legislative hearings or establishing advisory committees from these provisions.

The part of this section related to labor organization agreements becomes effective October 1, 2026, and applies to acts or omissions on or after that date. The part of this section related to the Wage and Hour Act becomes effective October 1, 2026, and applies to contracts entered into or modified on or after that date. The remainder of this section became effective July 7, 2026.

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