

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1539 (Delegate Wilson)
Government, Labor, and Elections

Maryland Labor Relations Act

This bill establishes a Maryland Labor Relations Board (MLRB) as an independent unit of State government to oversee collective bargaining activities for specified private sector employees. The bill is contingent on the federal National Labor Relations Act (NLRA) being fully repealed or rendered null and void or the National Labor Relations Board (NLRB) ceding jurisdiction on NLRA to the State. The Maryland Department of Labor (MD Labor) must monitor action by the federal government and notify the Department of Legislative Services (DLS) within 30 days after the contingency has been met. **The bill takes effect July 1, 2026, though provisions of the bill take effect when DLS receives notice from MD Labor that the contingency has been met.**

Fiscal Summary

State Effect: Absent the contingency specified by the bill, it has no immediate fiscal effect on State finances or operations. Should the bill's contingency be met, general fund expenditures for MLRB increase significantly, as discussed below. Revenues are not affected.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill may not be construed to interfere with, impede, or diminish an employee's right to strike. An employee does not include an individual employed: as an agricultural laborer, in domestic service as specified, by the individual's parent or spouse, as an independent contractor, by an employer subject to the federal Railway Labor Act, or as a supervisory employee.

The bill establishes the governance of MLRB. Regarding MLRB, among other provisions, the bill:

- establishes membership requirements, including appointment processes, qualifications, and term limits;
- requires the chair of the board to give full time to the duties of chair, entitles the chair to a salary as provided in the State budget, and specifies that an appointed member of the board is entitled to the compensation provided in the State budget and reimbursement for travel expenses;
- enumerates the responsibilities and powers of the board, including: granting the board the authority to issue subpoenas, administer oaths and affirmations, examine witnesses, and receive evidence, and requiring the board to adopt and enforce regulations, guidelines, and policies to implement the bill;
- requires the board to annually submit a report by February 1 to the Governor and the General Assembly that summarizes cases and actions taken in the last calendar year;
- charges MLRB with conducting exclusive representative elections as specified and establishes related rules, procedures, and requirements; and
- grants general authority to MLRB to determine the appropriateness of each bargaining unit.

In regards to governing collective bargaining for private sector employees, among other provisions, the bill:

- enumerates the collective bargaining rights of private sector employees, including that they may form, join, and participate in, or refrain from forming, joining, or participating in, any employee organization of their choosing;
- specifies that an employee organization may establish restrictions on who may join and provisions for the dismissal of individuals from membership, but may not discriminate, as specified;
- enumerates the rights of employers and the exclusive representatives that represent private-sector employees;
- requires private-sector employers to provide exclusive representatives with employee information, as specified;
- prohibits employers and employee organizations from engaging in any unfair labor practices;
- establishes the right of exclusive representatives to communicate with employees they represent and further establishes rules, procedures, and requirements for exclusive representatives to meet with new hires in bargaining units they represent;

- authorizes the collection of membership dues by an employee organization and includes processes that employers must follow to deduct and remit dues from employee salaries; and
- otherwise outlines processes, responsibilities, prohibitions, and requirements for exclusive representatives, employee organizations seeking certification as exclusive representatives, employers, and MLRB.

Current Law: It is the policy of the State that negotiation of terms and conditions of employment should result from a voluntary agreement between employees and the employer and, thus, each individual worker must be fully free to associate, organize, and designate a representative for negotiation of terms and conditions of employment. This process must be free from coercion, interference, or restraint by an employer in (1) designation of a representative; (2) self-organization; and (3) other concerted activity for the purpose of collective bargaining or other mutual aid or protection. State law establishes a procedure for certifying a labor organization as the bargaining representative for a workplace, and a majority of employees must vote in favor of joining a union in order for a workplace to unionize.

National Labor Relations Act

In 1935, the U.S. Congress passed NLRA, commonly known as the “Wagner Act,” which set forth employees’ rights to join unions and required employers to bargain collectively with unions selected by a majority of workers in an appropriate bargaining unit. Under Section 7 of NLRA, employees have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, and also have the right to refrain from any or all such activities. NLRA generally applies to all employers involved in interstate commerce other than airlines, railroads, agriculture, and government.

NLRA also established NLRB, an independent federal agency, to enforce its provisions. NLRB also acts to prevent and remedy unfair labor practices committed by private sector employers and unions, as well as conducts secret-ballot elections regarding union representation.

The President removed a NLRB member in January 2025, so for most of calendar 2025, NLRB lacked a quorum needed to make decisions or hear cases on unfair labor practices or union representation. Two members were appointed in January 2026, so the board currently has a quorum.

State Expenditures: MLRB is not established unless NLRA is repealed (or rendered null and void) or NLRB cedes jurisdiction to states. Until that happens (if it happens at all), the bill has no fiscal effect. Should the bill's contingency be met, MD Labor can notify DLS of the contingency being met with existing resources.

Once DLS receives notice from MD Labor, general fund expenditures for MLRB, an independent unit of State government, significantly increase. For example, for MLRB to hire 14 employees to oversee collective bargaining for private sector employees, general fund expenditures increase by approximately \$1.5 million annually. However, in the absence of experience under the bill, it is not possible to reliably predict the extent to which private sector employees will exercise their collective bargaining rights under the bill. Thus, to the extent that MLRB needs additional resources, it can request them through the normal operating budget process.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland Department of Labor; National Labor Relations Board; Department of Legislative Services

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