STATE OF NEW YORK

9420

IN SENATE

March 11, 2026

Introduced by Sen. C. RYAN -- read twice and ordered printed, and when printed to be committed to the Committee on Labor

AN ACT to amend the labor law, in relation to securing collective bargaining agreement validity during a change in operator or ownership

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The labor law is amended by adding a new section 706-a to read as follows:

§ 706-a. Prevention of unfair labor practices in transfer of operations. 1. For the purposes of this section, the following terms shall have the following meanings:

(a) "Owner" shall mean the entity that holds legal title to the property or facility, including any parent or affiliated companies.

(b) "Operator" shall mean the entity responsible for the day-to-day management and operation of the property or facility, which may or may not be the owner.

(c) "Successor operator" shall mean a person, company, or entity that acquires a property or operation of an existing facility, whether by sale, transfer, lease, takeover, assignment, reorganization, bankruptcy proceeding, or other means.

(d) "Collective bargaining agreement" or "CBA" shall mean an agreement between an owner or operator and a labor union that governs the terms and conditions of employment for workers at a facility or property.

2. In the event that a property or facility which employs employees subject to a collective bargaining agreement is sold, transferred, leased, or otherwise acquired by a successor operator or owner, unless a new CBA is made pursuant to applicable state and local laws, such successor operator or owner shall agree, in writing, to:

(a) become a party bound by all terms, conditions, and obligations set forth in the collective bargaining agreement; and

(b) honor all employment terms and conditions, including, but not limited to, wages, benefits, job security, and work opportunities, as set forth in the existing agreement.

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

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3. If, following a transfer of operations, the amount of work for some or all employees increases, such increase shall be fully covered under the terms and conditions of the collective bargaining agreement.

4. (a) If the owner and operator of a property or facility, following one or more transfers of ownership or operation, are separate entities, the leadership and board, if applicable, shall not overlap or commingle in a way that would create a conflict of interest or which would allow such owner or operator to avoid joint liability for honoring a collective bargaining agreement.

(b) If the successor operator and owner are found to share or commingle leadership in a manner which was intended to or actually caused a conflict of interest with respect to a CBA, such successor operator shall be considered a continuation of the prior operator for purposes of enforcing the CBA.

5. The board shall have the authority to enforce the provisions of this section. By its own motion or at the request of the parties, the board is authorized to initiate or arbitrate proceedings in relation to a violation of this section pursuant to the provisions of section seven hundred two-a of this article.

6. (a) Any successor operator who is found to have failed to comply with this section shall be subject to a civil penalty not to exceed fifty thousand dollars for each violation.

(b) If a successor operator fails to honor a collective bargaining agreement in violation of this section, the affected labor union and its employees may petition for reinstatement of the CBA by the public employment relations board.

(c) In a legal proceeding against a successor operator or owner who violates this section, in its discretion, the court may award specific performance, monetary damages, back pay and lost wages, or some combination thereof.

§ 2. Severability clause. If any clause, sentence, paragraph, subdivision, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted even if such invalid provisions had not been included herein.

§ 3. This act shall take effect immediately.