



TO: The Honorable Members of the PA Senate Labor and Industry Committee
FROM: Alex Halper, SVP, Government Affairs
DATE: May 8, 2024
RE: Oppose S.B. 841 – Increasing local construction costs

On behalf of the PA Chamber, I urge you to oppose S.B. 841, which is scheduled for committee consideration today. This bill includes substantial expansion and costly changes to the PA Prevailing Wage Act and the committee should at least hold a hearing before considering a bill of this significance.

The PA Prevailing Wage Act requires state-determined wages be paid to employees on public construction projects and can often complicate project execution and increase costs. S.B. 841 proposes a significant expansion by applying the law to custom fabrication work that occurs separate from the worksite. We have concerns from both a taxpayer perspective, as significant cost increases on school districts and local governments can lead to property tax hikes; and on behalf of custom fabrication companies, who have expressed concerns that this legislation would drive work to out-of-state competitors and negatively impact their workplace.

The bill would also prohibit the practice of paying “split rates” which employers utilize to promote efficiency on a worksite. Eliminating this option will no doubt increase project costs though we are not aware of any analysis conducted to understand the impact on taxpayers.

We urge the committee to hold off consideration of this bill and provide time and a process for lawmakers and the public to better understand the implications. Please contact Alex Halper at ahalper@pachamber.org or 717-645-8730 with questions or to discuss.