



Written Testimony in Support of HB2069

**Mr. Daniel Murray: Kansas State Director, National Federation of Independent Business
House Commerce Committee
Thursday, 14 February 2013**

NFIB supports HB2069, which would prohibit any local government from enacting any city ordinance, county resolution, program or grant which requires an employer to grant leave from work unless it is mandated by federal or state law, pay compensation at any rate higher than the federal or state minimum wage, or offer an employer benefit other than those required by state or federal law. Any ordinance, resolution, program or grant in place prior to the effective date of this bill would be voided.

First and foremost, small business owners believe the market, not the government, should determine the appropriate level of employee benefits and wages. Artificial and arbitrary mandates established by the government distort the free market and have negative consequences for employers, employees and taxpayers. Often, government imposed mandates have a different and adverse effect than supporters intend. For example, the minimum wage dampens the demand for entry-level labor, so there are fewer jobs created. And, the jobs that are available become more attractive to people with higher skills and more experience. So the youngest workers with the lowest skills – the so-called working poor – get frozen out of the jobs they need.

Second, local government expansion of employer leave requirements create considerable burdens on small businesses. Most small-business owners already provide a great amount of flexibility in allowing their employees to take time off for family or medical purposes. Government mandates take away small employers' and employees' freedom to negotiate the benefits package that best meets their mutual needs. Expanding mandates would drastically increase the amount of paperwork and money spent complying.

Finally, prevailing wage requirements, often patterned off the federal Davis-Bacon Act, require that each public works contract over a certain amount contain a clause that establishes the minimum wages to be paid. Contractors and subcontractors are to pay workers a minimum wage based on the local "prevailing wage." However, these wages rarely resemble local market conditions because they are based on union recommendations. The wage scales generally favor large, urban and unionized contractors. Small and minority-owned businesses are discouraged from bidding on public projects by the complex rules. The inflated wage scale requirements and significant paperwork burdens of the prevailing wage mandates often shut small employers out of the construction market. In addition, the costs of public construction projects are inflated which leads to governments spending more taxpayer money.

Again, NFIB supports HB2069 and urge you to support its passage.