



MEDIA ADVISORY

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Maureen Hayden,

Yesterday was a great day for Hoosier taxpayers as we embarked on the process of ensuring the value of every taxpayer dollar. House Bill 1019 is yet another positive step to promoting free enterprise in today's construction industry. Indiana's Common Construction Wage Law is an outdated piece of legislation that eliminates free enterprise, inflates government spending on public works, and significantly increases the cost to the taxpayer. Essentially, Common Construction Wage law forces taxpayers to pay artificially high wages for publicly funded projects, averaging 10-20% more for publically funded construction compared to private sector construction. Eliminating Common Construction Wage through the passage of House Bill 1019 will not only increase tax payer value but it will make hard-earned tax dollars go farther. Repeal of the common wage will allow for principles of free enterprise to establish fair, market-driven wages, and ultimately result in more job opportunities for skilled Hoosiers in the construction industry.

Simply stated, taxpayers lose when the government mandates wages. Indiana's Common Construction Wage law distorts the cost of public construction by hundreds of millions of dollars every year. Furthermore, Indiana's Common Construction Wage Law creates a political process for setting wages on taxpayer-funded projects at the expense of free market competition. It prohibits fair competition on public projects because political appointees set exorbitant wage rates that are unrealistic for local Hoosiers. It has come to light that awarding agencies manipulate the appointment process of wage boards to suit political interest. In a free market,

local contractors will be able to actively participate in public construction thanks to wage rates dictated by the market rather than these special interest groups.

A competitive market makes the public construction dollar go farther. More construction work means more opportunities for skilled middle-class Hoosiers to work and enter the industry. Schools and local communities will benefit from the increased infrastructures they desperately need.

From a national perspective, states that have repealed common construction laws have not seen a decrease in the quality of construction. “Safety, training, quality workmanship and public bidding laws,” says J.R. Gaylor, “are not adversely affected by common wage repeal. The standards of quality work are still present: the market is simply opened to greater participation and competition.”

Indiana taxpayers stand to obtain significant benefits if Indiana’s Common Wage law is repealed, such as more middle class jobs and a better taxpayer value. Market driven wages promote jobs for skilled Hoosier workers by creating employment opportunities for public construction projects. Local officials are held responsible to local taxpayers when the free market replaces government-mandated wages.

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