April 10, 2020

Governor Ralph Northam
P.O. Box 1475
Richmond, VA 23218

Re: Legislation on Project Labor Agreements (SB 182/HB 358) and Prevailing Wage (SB 8/HB 833) Requirements

Dear Governor Northam:

Americans for Tax Reform (ATR) is a nonprofit, 501(c)(4) taxpayer advocacy group. ATR believes in a system in which taxes are simpler, flatter, more visible, and lower than they are today. The government’s power to control one’s life derives from its power to tax. We believe that power should be minimized.

**Americans for Tax Reform urges you to veto the legislation on Project Labor Agreements (SB 182/HB 358) and Prevailing Wage (SB 8/HB 833) requirements.**

Currently, Virginia law allows all businesses to compete for taxpayer-funded public works construction contracts whether the contractors want to sign a project labor agreement (PLA) or not. SB 182/HB 358, however, would allow state and local governments to require project labor agreements on public projects. This requirement would hurt smaller nonunion contractors by forcing them to follow union rules and hire most or all union approved workers, instead of their own employees. Virginia taxpayers would also be harmed by this legislation because studies have shown that PLAs increase the cost of school construction by 12% to 20%. The higher the construction costs, the lower the number of projects a state can do and the fewer jobs for Virginia workers.

Like the PLA legislation, the legislation on prevailing wage requirements would also hurt Virginia workers, taxpayers and businesses. The high government-mandated wages, typically union wages, often don’t reflect current wages, and they increase construction costs dramatically on public projects. Studies have found that they increase construction costs by between 9.9% and 25%. These higher costs mean fewer public projects for Virginians and fewer jobs for Virginia workers. They also mean higher taxes for Virginia taxpayers. Finally, these high wages often prevent smaller nonunion contractors from bidding on government projects.

**Simply put, Americans for Tax Reform urges you to veto the legislation because the bills would hurt Virginia workers, taxpayers and businesses.**

Sincerely,

Grover G. Norquist
President