



## REPEAL MISSOURI'S PREVAILING WAGE LAW TO ALLOW FOR COMPETITION AND REDUCED TAXPAYER COSTS.

### WHY REPEAL PREVAILING WAGE?

**Prevailing wage laws set a minimum wage that must be paid for public construction projects.**

**Prevailing wage laws inhibit competition and drive up costs for taxpayers.**

Taxpayers may bear up to 40% higher costs for prevailing wages compared to competitive market wages.<sup>1</sup>

**Prevailing wage laws pick winners and losers.**

Although prevailing wage laws are intended to reflect competitive market wages, in reality “they are usually union wage scales.”<sup>2</sup>

Smaller contractors can be cut out of public works projects even if they can pay a competitive wage and perform the same work.

**Prevailing wage laws do not ensure higher quality work.**

Research has shown no benefit with regard to quality when prevailing laws are kept in place. While prevailing wage demands a wage standard, it doesn't demand quality work standards.<sup>3</sup>

### PREVAILING WAGE AMONG THE STATES

Twenty-two states have either repealed or never enacted prevailing wage laws.

Of our surrounding states, Iowa, Kansas, Arkansas, Kentucky and Oklahoma do not have prevailing wage laws.

Missouri is one of the few states that does not have a dollar threshold for projects subject to the prevailing wage.

### 2018 LEGISLATION

**HB 1621** (Rep. Rehder), **HB 1293** (Rep. Toalson Reisch), **SB 609** (Sen. Hoskins) and **SB 555** (Sen. Brown) all propose to repeal the law pertaining to prevailing wage.

<sup>1</sup> <http://www.maciverinstitute.com/2015/03/wisconsin-secret-cost-driver-the-prevailing-wage-law/>

<sup>2</sup> <http://www.heritage.org/research/testimony/2015/how-the-common-construction-wage-affects-the-cost-and-quality-of-construction-projects>

<sup>3</sup> Ibid.