



TO: The Honorable Members of the PA House Labor & Industry Committee
FROM: Alex Halper, SVP, Government Affairs
DATE: March 27, 2024
RE: Oppose H.B. 2105 – PHRA expansion

On behalf of the PA Chamber, I urge you to oppose H.B. 2105, which, among other provisions, would expand liability under the PA Human Relations Act to the smallest of small businesses. The Committee is scheduled to consider this bill today.

H.B. 2105 proposes to lower the threshold for an employer to be subject to the PA Human Relations Act from four to two employees. We don't doubt the positive intentions behind this proposal but have concerns about the unintended consequences for these extremely small businesses, many of which may be just getting started.

Both Federal and state anti-discrimination laws have always recognized the unique impact on small businesses; for example, the Federal Civil Rights Act does not apply to employers with fewer than 15 employees and most state laws include a threshold e.g. Massachusetts (6), Maryland (15) and Ohio (4). Small businesses just getting started may be particularly susceptible to unfounded or frivolous claims but lack the resources to defend themselves. Additionally, employers often defend against an allegation of discrimination by citing their hiring and workforce history – an employer hiring their first couple of employees doesn't have that option.

Employers also report significant administrative challenges responding to PHRC claims: expansive and repetitive demands for records, and substantial investments in time and legal costs for extended periods of time (average case age is over 450 days [according to PHRC](#)). And at the end of day, the vast majority of claims are found by the PHRC to have no probable cause.

Pennsylvania struggles to attract new businesses – for example, the Kauffman Foundation last year ranked Pennsylvania [last in the nation](#) for new entrepreneurs – and this proposal would make Pennsylvania even less attractive to start-ups. Accordingly, we urge you to oppose this bill. Please contact Alex Halper at 717 720-5471 or ahalper@pachamber.org with any questions or to discuss.