

S.2536 (Jackson) / A.2747 (Bronson)

STAFF CONTACT : Joseph Alston | Director of Government Affairs | 5186944464

BILL S.2536 (Jackson) / A.2747 (Bronson)
SUBJECT Opposition to imposing prevailing wage mandates on off-site custom fabrications
DATE March 31, 2025
OPPOSE

The Business Council of New York State strongly opposes S.2536 (Jackson) / A.2747 (Bronson), which aims to dramatically expand New York’s prevailing wage law to cover certain off-site “custom fabrication” work. This legislation would undermine long-standing definitions of public work, inflate construction costs, create significant legal uncertainty, and discourage economic development across New York State.

For decades, New York’s prevailing wage law has applied to labor performed on public work sites, a clear and enforceable standard. This bill would abandon that clarity by imposing prevailing wage mandates on off-site custom fabrication, regardless of where it occurs, including outside of New York. Fabrication shops and manufacturers that produce materials specifically for a public project, such as wall panels, ductwork, cabinetry, or mechanical systems, would be required to pay wages set by the job site's local prevailing rate.

This sweeping new mandate is not only unmanageable, but also fundamentally unworkable. It attempts to regulate businesses that operate far from project sites and, in many cases, far outside the state. This raises serious jurisdictional concerns and may even open the state to costly legal challenges, which the bill itself acknowledges with a conditional repeal clause. Moreover, this legislation would significantly increase costs for public construction. Off-site fabrication is a key driver of cost efficiency, quality control, and timeliness in modern construction. Requiring these producers to comply with prevailing wage laws designed for on-site labor will deter participation from experienced suppliers, reduce competition, and drive-up project costs. These consequences would be felt most acutely in affordable housing, school construction, infrastructure, healthcare, and renewable energy, precisely the sectors New York should be supporting.

The bill’s impact would also ripple across the state’s economy. Many custom fabricators are small or mid-sized businesses without the compliance infrastructure to meet complex payroll reporting and registration requirements.

Rather than absorb new liabilities, many will choose to stop bidding on public work entirely. This loss of vendor participation will further strain supply chains and delay critical projects. Despite these clear implications, the bill provides no credible fiscal analysis. Claiming “no state or local fiscal impact” ignores the obvious: expanding prevailing wage to off-site fabrication will drive up material and labor costs, reduce project efficiency, and increase taxpayer burdens. This legislation is fiscally irresponsible and economically shortsighted. The prevailing wage law was never intended to cover remote manufacturing or fabrication. This bill blurs the line between public work and private commerce, while doing nothing to enhance worker protections or project outcomes. Instead, it will create confusion, drive up costs, and discourage investment in New York’s construction sector at a time when the state must remain competitive.

For all these reasons, The Business Council of New York State strongly urges the Legislature to reject S.2536 (Jackson) / A.2747 (Bronson). It is overreaching, economically damaging, and contrary to the principles of sound public policy.