

POLICY BRIEF: REGULATORY CHANGES

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Pennsylvania's regulatory process can be challenging to navigate and arduous to engage with for the typical business owner/operator. There are three vital areas we ask policymakers to consider when assessing regulatory changes:

JUDICIOUS USE OF THE REGULATORY PROCESS

Keeping up with the Commonwealth's regulatory process is demanding for even the most seasoned businessperson, including those with government affairs or legal professionals assisting. Regularly reading the Pennsylvania Bulletin is a necessity; otherwise, it is easy to miss an opportunity to engage in something that significantly impacts a business' daily operations.

Regulatory changes will typically impact operators in significant ways; therefore, most substantial changes ought to be reserved for the legislature.

The current process makes it possible for the state to adopt impactful policy changes without thoroughly engaging those in the regulated community. Going through the legislative process allows for broader and more reliable input from stakeholders across the state.

By prioritizing the legislative process, the state solicits genuine public feedback, which more reliably leads to the input needed to shape considerations.



COMPLIANCE GAPS— IMPACTS OF RECENT REGULATORY CHANGES

The latest example of significant regulatory change on the business community came in the 21-22 legislative session, when there were changes proposed to 34 Pa. Code, Chapter 231 (regarding Tipped Employees and Regular Rate). In practice, we've seen confusion due to a compliance gap between state and federal regulations. Unfortunately, this is not uncommon.

Pennsylvania has not kept pace with federal changes, which frequently causes employers to struggle with the gap between state and federal law. This lack of guidance puts Pennsylvania businesses at a competitive disadvantage.



It's common for state regulations to vary from the federal rules leaving just enough space for confusion. With the changes to the tipped wage, the state regulations differ in part from the federal mandate. Inconsistencies like this leave operators questioning which version to follow.

Many of the updates adopted around the tipped wage were and are industry standards and already best practices. Despite that opinion, nuances and subtleties that have proved to be problematic have surfaced along the way, which suggests that more time would have led to more productive and practical changes.

PRLA supports a process that is transparent, maximizes public engagement, and expands time for assessment and review.

UNIFORMITY IN DETERMINING REGULATED SECTORS

Determining regulated sectors can seem arbitrary. One example to illustrate this point is to look at how the hotel community is regulated compared to alternative accommodations/short-term rentals. Despite their comparable operations, there is inconsistency in how they are regulated. Hotels, bed and breakfasts, and campgrounds must adhere to strict regulations that aren't always applied across the entirety of the lodging industry. Alternative accommodations play by a different set of rules that, at times, creates a competitive advantage. PRLA and our members want to see a level playing field, and share the interest with the Administration and Legislature to clear obstacles for all businesses to operate in the Commonwealth.

