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PA Chamber Raises Concerns Over Legislation Impacting Small Businesses

Pennsylvania has made important steps to improve our business environment, enacting key policies like business tax reform, streamlined permitting processes, and strategic workforce investments that have increased the Commonwealth's standing in national competitiveness rankings and led to recent historic investments in life sciences, manufacturing, energy, and innovation. Chambers across Pennsylvania partnered with the PA Chamber to help advocate for these reforms. This progress is worth protecting.

But that hard-won progress is now at risk. The state House is advancing bills that could jeopardize momentum for small and startup businesses and two in particular are worth highlighting.

One of those bills, [H.B. 200](#), recently passed the House and would create a statewide paid leave entitlement program that the business community would be required to pay for and administer. In addition to imposing potentially billions of dollars in new direct costs on employers - along with added indirect costs and administrative burdens - H.B. 200 would prohibit businesses from continuing leave policies that work best for their own workplaces and staffing models. In a [memo](#) to lawmakers, we warned that these impacts would fall especially hard on small businesses. Beyond the costs, the bill lacks sufficient safeguards to prevent abuse, creates a new private right of action that could expose employers to lawsuits for even unintentional or clerical errors, and allows this new entitlement to be stacked on top of existing federal and local leave requirements.

Another bill the PA Chamber is opposing is [H.B. 1826](#), which would lower the threshold for employer coverage under the Pennsylvania Human Relations Act from four employees to two.

This change would expose the smallest of small businesses, including start-ups, to increased liability at a time when Pennsylvania is already known nationally as one of the worst litigation climates in the country for employers. New businesses are especially vulnerable to unfounded or frivolous claims and often lack the financial resources to defend themselves.

Both state and federal anti-discrimination laws have long recognized the disproportionate impact these claims can have on small employers. For example, the federal Civil Rights Act applies only to employers with 15 or more employees, and most states maintain similar thresholds.

In a [memo](#) to committee members, the PA Chamber emphasized that Pennsylvania already faces challenges in attracting and retaining new businesses—and that this proposal would make the Commonwealth even less attractive to entrepreneurs and start-ups.

While H.B. 1826 has not yet come up for a vote in the full House, the PA Chamber is urging lawmakers to vote “no” on this legislation.

We’re encouraging our local chamber partners to add their voices to the fight and contact their lawmakers to urge a “no” vote on these anti-business measures.