

Legislative Analysis



MINIMUM WAGE: INCREASE, INDEX, & AMEND

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4514 as introduced
Sponsor: Rep. Paul Condino

House Bill 4517 as introduced
Sponsor: Rep. Fred Miller

House Bill 4515 as introduced
Sponsor: Rep. Andrew Meisner

House Bill 4518 as introduced
Sponsor: Rep. Lee Gonzales

House Bill 4516 as introduced
Sponsor: Rep. Marsha G. Cheeks

House Bill 4519 as introduced
Sponsor: Rep. John Gleason

Committee: Employment Relations, Training, and Safety

Complete to 9-6-05

A SUMMARY OF HOUSE BILLS 4514-4519 AS DISCHARGED FROM COMMITTEE ON 6-29-05

The bills would amend the Minimum Wage Law (MCL 408.381 et al.) to reflect the following changes:

House Bills 4517 and 4518 would increase the minimum wage over a four-year period. The bills would increase the minimum hourly wage rate (set at \$5.15 since 1997) to \$5.90 beginning July 1, 2005; to \$6.65 beginning January 1, 2006; and to \$7.15 beginning January 1, 2007. House Bill 4517 would also adjust the minimum wage to annually reflect the cumulative annual percentage change in the consumer price index beginning January 1, 2008.

House Bill 4516 would amend section 7a by increasing the minimum hourly wage rate paid to *employees who receive gratuities*, such as restaurant waitstaff, from \$2.65 per hour to \$3.40 per hour beginning July 1, 2005; to \$4.15 beginning January 1, 2006; and to \$4.60 beginning January 1, 2007. (The "gratuities" would have to equal or exceed the difference between the increased wage and the minimum hourly wage established for regular hourly workers.) House Bill 4514 would require that the minimum wage for employees receiving gratuities be adjusted annually to reflect the cumulative annual percentage changes in the consumer price index.

[Note: House Bills 4514 and 4517 would define "consumer price index" to mean "the most comprehensive index of consumer prices available for Michigan from the Bureau of Labor Statistics of the United States Department of Labor."]

House Bill 4515 would amend Section 15 of the act by prohibiting an employer from discharging, threatening, or otherwise discriminating against an employee in compensation or in the terms, conditions, location, or privileges of employment because

the employee files, or is about to file, a claim against the employer based on a violation of minimum wage requirements. A person in violation of this provision would be guilty of a misdemeanor punishable by imprisonment for up to 90 days, a fine of up to \$100, or both.

(That would also be the fine for the current misdemeanor violation of discharging or discriminating an employee for serving on the wage deviation board or for testifying before the board in an investigation.)

House 4519 would amend Section 13 of the act to specify that an employer who fails to pay the minimum hourly wage, in violation of the act, would be responsible for a civil fine up to \$1,000 for each week in which the violation occurs. Currently, an employer who violates a provision governing employee compensatory time or who fails to pay the minimum hourly wage is responsible for a civil fine up to \$1,000.

FISCAL IMPACT:

The fiscal impact cannot be determined because overall employment due to a change in the minimum wage could either rise or fall depending on specific labor market characteristics.

Legislative Analyst: E. Best
Fiscal Analyst: Jim Stansell

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.