

Legislative Analysis



LOCAL GOVERNMENT EMPLOYER MANDATE

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House Bill 4052 as introduced
Sponsor: Rep. Earl Poleski
Committee: Commerce and Trade
Complete to 5-11-15

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

The bill would create a new act, the Local Government Employer Mandate Prohibition Act. The new act would, generally speaking, do the following:

****Prohibit a governmental body from adopting, enforcing, or administering a "community benefits ordinance." Such an ordinance is one adopted by a governmental body that requires the entry into a "community benefits agreement;" this kind of agreement requires contractors or developers, when developing certain parcels of property within the local unit, to hire certain employees, pay certain wages or benefits, engage certain subcontractors or local businesses for the provision of goods and services, waive certain rights under federal labor laws, or engage in other similar activities, in exchange for grants; tax abatements or exemptions; the transfer of property; the approval of a government requirement, including a regulating, zoning, permitting, or licensing requirement; or other economic development incentives the contractor or developer would otherwise be eligible to receive by law.**

**** Prohibit governmental bodies from establishing any requirement related to employee wages or benefits, such as a minimum wage, particular benefits, a specified amount of paid or unpaid leave time, the payment of a prevailing wage except as provided by state or federal law, or any other requirement regarding management of personnel or employees.**

A community benefits ordinance or any similar ordinance adopted by a governmental body in violation of the new act would be void.

The term "governmental body" means any local government or its subdivision, including but not limited to a city, village, township, county, or educational institution; any public authority, agency, board, commission, or other governmental, quasi-governmental, or quasi-public body; or any public body that acts or purports to act in a commercial, business, economic development, or similar capacity for a local government or its subdivision. The term "educational institution" embraces local and intermediate school districts, public school academies, community colleges, and public universities.

The new act contains findings and declarations:

**** That employee wages and benefits are a matter of state concern and . . . are outside the express or implied authority of municipalities to regulate unless that authority is expressly delegated to a municipality.**

** That the development or redevelopment of properties in municipalities is critical to the economic success of those municipalities, and certain regulations and prohibitions on that development and redevelopment are matters of statewide concern and are within the regulatory power of the state.

** That the act is intended to provide uniformity throughout the state on the adoption of certain prohibitions or limitations on employers.

The bill would not affect a governmental body's ability to adopt policies on wages, benefits, and leave time for its own employees; would not prohibit the enforcement by a governmental body of federal or state law; and does not prohibit a governmental body from otherwise entering into an agreement providing for the rights and responsibilities of contractors and developers and the governmental body with respect to the development of real property and the provision of government services to the property or services not otherwise related to the development of certain parcels or property within the governmental body.

FISCAL IMPACT:

As written, the bill would have an indeterminate impact on state and local revenues. The direction and magnitude of this effect depend on broader economic conditions and the decisions of individual firms and municipalities, none of which can be known in advance.

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