

Legislative Analysis



LIMIT LOCAL GOVERNMENT'S ABILITY TO REGULATE EMPLOYER-EMPLOYEE RELATIONS

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House Bill 4052 (reported from committee as H-3)

Sponsor: Rep. Earl Poleski

Committee: Commerce and Trade

Complete to 5-20-15

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

SUMMARY:

The bill would create a new act, the Local Government Labor Regulatory Limitation Act. The new act would prohibit a local governmental body from adopting, enforcing, or administering an ordinance, local policy, or local resolution that:

** Regulates the relationship between an employer and its employees or potential employees, if the regulation contains requirements exceeding those imposed by state or federal law.

** Regulates information an employer or potential employer must request, require, or exclude on an application for employment from an employee or potential employee.

** Requires an employer to pay an employee a wage higher than the state minimum hourly wage or the federal minimum wage (unless the federal minimum is lower than the state minimum wage).

** Regulates work stoppage or strike activity of employers and their employees or the means by which employees can organize.

** Requires an employer to pay an employee a wage or fringe benefit based on wage or benefit rates prevailing in the locality. This would not apply to state projects subject to Public Act 166 of 1965 (the prevailing wage law).

** Requires an employer to provide paid or unpaid leave time.

** Regulates hours and scheduling that an employer is required to provide to employees.

** Requires an employer or its employees to participate in any educational apprenticeship or training program.

** Requires an employer to provide any specific fringe benefit or any other benefit for which the employer would incur an expense.

** Regulates or creates administrative or judicial remedies for wage, hour, or benefit disputes.

The bill says that the new act does not prohibit a local governmental body from adopting or enforcing an ordinance, policy, or resolution prohibiting employment discrimination.

The term "employer" excludes public employers and educational institutions, but otherwise applies to persons and entities engaging in a commercial activity, enterprise, or business in the state.

The term "local 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" refers to local and intermediate school districts, public school academies, and community colleges.

The bill contains a legislative finding and declaration that the regulation of the employment relationship between a nonpublic employer and its employees is a matter of state concern and is outside the express or implied authority of local governmental bodies to regulate, absent express delegation of that authority to the local governmental body.

The bill specifies that if any part of the new act are found to be in conflict with the state constitution, the US Constitution, or federal law, the act would be implemented to maximum extent those constitutions and laws permit. Any provision held invalid would be severable from the remaining portions of the act.

The new act would take effect 90 days after being enacted.

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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