



Senate Fiscal Agency  
P.O. Box 30036  
Lansing, Michigan 48909-7536

## BILL ANALYSIS



Telephone: (517) 373-5383  
Fax: (517) 373-1986

Senate Bill 1173 (as introduced 12-3-24)  
Sponsor: Senator Jeremy Moss  
Committee: Labor

Date Completed: 12-11-24

**CONTENT**

**The bill would amend the Local Government Labor Regulatory Limitation Act to do the following:**

- **Allow a local government to implement an ordinance, policy, or resolution requiring an employer to pay an employee a wage higher than the State's minimum wage if the ordinance, policy, or resolution were adopted after the bill's effective date and required an employer to pay a higher wage as a prevailing wage.**
- **Allow a local government to implement an ordinance, policy, or resolution limiting the hours and scheduling of an employee who worked on a project to which a project labor agreement applied.**
- **Repeal Sections 6, 7, 10, 11, and 12 of the Act, which respectively prohibit a local government from implementing an ordinance, policy, or resolution that requires the payment of prevailing wage; regulates work stoppages and strikes; requires educational apprenticeship programs; requires employers to pay specific fringe benefits; and creates remedies for wage, hour, or benefit disputes.**

Prescribe Exemptions to the Act

Among other things, the Act prohibits a local governmental body from adopting, enforcing, or administering an ordinance, local policy, or local resolution that requires an employer to pay to an employee a wage higher than the State minimum hourly wage rate. Under the bill, this prohibition would not apply to an ordinance, local policy, or local resolution if the ordinance, local policy, or local resolution were adopted on or after the bill's effective date and required an employer, or a contractor or subcontractor of the employer, to pay an employee a higher wage as a prevailing wage or in accordance with a project labor agreement.

In addition, the prohibition would not apply to an ordinance, local policy, or local resolution if the ordinance, local policy, or local resolution were adopted on or after the bill's effective date and required an employer, or a contractor or subcontractor of the employer, to pay an employee a higher wage if any of the following conditions applied:

- The employer received funding or an incentive from the local governmental body or another local governmental body that was located within the jurisdiction of the local governmental body.
- The employer was a party to a contract with the local governmental body or another local governmental body that was located within the jurisdiction of the local governmental body.
- The employer performed work on a project and the project was funded in whole or in part with revenue from a bond issued by the local governmental body or another local governmental body that was located within the jurisdiction of the local governmental body.

Finally, the Act prohibits a local governmental body from adopting, enforcing, or administering an ordinance, local policy, or local resolution that regulates hours and scheduling that an employer is required to provide to an employee; however, this provision does not prohibit an ordinance, local policy, or local resolution that limits the hours a business may operate. Under the bill, the prohibition also would not prohibit an ordinance, local policy, or local resolution that limited the hours and scheduling of an employee who worked on a project to which a project labor agreement applied.

MCL 123.1385 et al.

Legislative Analyst: Alex Krabill

### **FISCAL IMPACT**

The bill would have no direct fiscal impact on the State or local government units. It could have a potential impact on local government units as it would allow local governments, in some cases, to be exempt from a ban on requiring higher wages than the State minimum hourly wage rate. In those cases where a local government unit could impose a higher wage on employers, contractors, and subcontractors, there could be an increase to costs to those local government units.

Fiscal Analyst: Bobby Canell

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.