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HOUSE FISCAL AGENCY

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HB4327	AS INTRODUCED	Sponsor	Rep. Wayne Kuipers
		Committee	EMPLOYMENT RELATIONS, TRAINING AND SAFETY
HB4329	AS INTRODUCED	Sponsor	Rep. Robert Gosselin
		Committee	EMPLOYMENT RELATIONS, TRAINING AND SAFETY
HB4383	AS INTRODUCED	Sponsor	Rep. Robert Gosselin
		Committee	EMPLOYMENT RELATIONS, TRAINING AND SAFETY
Analyst(s)	Schneider, Bob	Completed	3/5/01

State Fiscal Impact

Local Fiscal Impact

Cost	Indeterminate/Decrease
Revenues	Indeterminate/Decrease

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Revenues	Indeterminate/Decrease

The bills exempt certain projects and entities from prevailing wage provisions that exist in current law. In particular, HB 4327 amends the Michigan Transportation Fund Act to eliminate references to the prevailing wage law. HB 4329 deletes existing requirements that public school academies and strict discipline academies comply with prevailing wage law provisions. Finally, HB 4383 exempts construction projects involving public schools as well as public bridges, highways, and roads from the law.

The bills could reduce state and local costs in two ways. First, state costs incurred by the Department of Consumer and Industry Services for administering and enforcing the prevailing wage statute would be reduced by an indeterminate amount. Second, to the extent that the exemptions reduce wages paid by contractors that would no longer be covered by the law, state costs for road and bridge projects and local costs for school construction, repair, or improvement projects could also fall. In terms of road and bridge projects, it should be noted that contractors would still be required to pay prevailing wages on any projects which utilize federal funding due to the federal Davis-Bacon Act, which separately requires the payment of prevailing wages on federally-funded projects.

On the revenue side, state income tax revenue and local income tax revenue, where applicable, could decrease by a very slight amount. Again, this would depend upon the extent to which the bills' provisions lead to lower wages paid by state contractors exempted by the bills.