

LOCAL GOVERNMENT EMPLOYER MANDATES

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

House Bill 5977

Sponsor: Rep. Earl Poleski

Committee: Michigan Competitiveness

Complete to 12-3-14

A SUMMARY OF HOUSE BILL 5977 AS INTRODUCED 12-2-14

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

****Prohibit local units of government from creating a "community benefits ordinance" under which contractors or developers, when developing certain parcels of property, would have to hire certain employees, pay certain wages or benefits, engage certain subcontractors or local businesses, or engage in similar activities, in exchange for grants, tax abatements or exemptions, the transfer of property, or other economic development incentives.**

**** Prohibit local units 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, or the payment of a prevailing wage except as provided by law.**

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

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 specifically 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 local unit's ability to adopt policies on wages, benefits, and leave time for its own employees; would not prohibit the enforcement by a local unit of federal or state law; and does not prohibit a local unit from entering into an agreement providing for the rights and responsibilities of contractors and developers and the local

unit with respect to the development of real property and the provision of government services to the property.

The bill applies to counties, cities, villages, townships, and other political subdivisions.

FISCAL IMPACT:

The bill would have an indeterminate fiscal impact.

Legislative Analyst: Chris Couch
Fiscal Analyst: Jim Stansell
Adam Desrosiers

■ 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.