

**SUBSTITUTE FOR  
HOUSE BILL NO. 5977**

A bill to limit the powers of units of local government to adopt, enforce, or administer certain local mandates for employers; to prohibit local minimum wage, benefit, or leave requirements; to prohibit certain ordinances regulating the development of real property within units of local government; and to void local requirements that are adopted in violation of this act.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 1. This act shall be known and may be cited as the "local  
2 government employer mandate prohibition act".

3           Sec. 2. The legislature finds and declares as follows:

4           (a) That wages and benefits for employees throughout this  
5 state are matters of state concern and, in addition to the state's  
6 wage and benefits laws occupying the regulatory field of wages and

1 benefits, are outside the express or implied authority of  
2 municipalities in this state to regulate unless that authority is  
3 expressly delegated to a municipality.

4 (b) That the development and redevelopment of properties in  
5 municipalities is critical to the economic success of those  
6 municipalities, and certain regulations and prohibitions on that  
7 development and redevelopment are matters of statewide concern and  
8 are within the regulatory power of this state.

9 (c) That this act is intended to provide uniformity throughout  
10 this state on the adoption of certain prohibitions or limitations  
11 on employers throughout this state.

12 Sec. 3. As used in this act:

13 (a) "Community benefits agreement" means a contract required  
14 by ordinance, resolution, or policy by a governmental body within  
15 this state that requires contractors or developers to, concurrently  
16 with the development of certain parcels or property within that  
17 governmental body within this state, hire certain employees, pay  
18 certain wages or benefits, engage certain subcontractors or local  
19 businesses for the provision of goods and services, waive certain  
20 rights under federal labor laws, or engage in other similar  
21 activities in exchange for receipt of grants, tax abatements or  
22 exemptions, the transfer of property, the approval of a  
23 governmental requirement, including a regulating, zoning,  
24 permitting, or licensing requirement, or other economic development  
25 incentives the contractor or developer would be otherwise eligible  
26 to receive by law.

27 (b) "Community benefits ordinance" means an ordinance,

1 resolution, or policy adopted by a governmental body within this  
2 state that requires the entry into a community benefits agreement.

3 (c) "Educational institution" means any of the following:

4 (i) A school district, an intermediate school district, or a  
5 public school academy as those terms are defined in sections 4 to 6  
6 of the revised school code, 1976 PA 451, MCL 380.4 to 380.6.

7 (ii) A community college established under the community  
8 college act of 1966, 1966 PA 331, MCL 389.1 to 389.195, or under  
9 part 25 of the revised school code, 1976 PA 451, MCL 380.1601 to  
10 1607.

11 (iii) A public university of this state.

12 (d) "Employee" means a person employed in this state by an  
13 employer.

14 (e) "Employer" means a person engaging in a commercial  
15 activity, enterprise, or business in this state.

16 (f) "Governmental body" means any local government or its  
17 subdivision, including, but not limited to, a city, village,  
18 township, county, or educational institution; any public authority,  
19 agency, board, commission, or other governmental, quasi-  
20 governmental, or quasi-public body; or any public body that acts or  
21 purports to act in a commercial, business, economic development, or  
22 similar capacity for a local government or its subdivision.

23 Sec. 4. (1) Except as provided in subsection (2), a  
24 governmental body within this state shall not adopt, enforce, or  
25 administer a community benefits ordinance or an ordinance, policy,  
26 or resolution that establishes any requirement related to employee  
27 wages or benefits, such as a requirement for an employer to provide

1 an employee with a minimum wage, particular benefits, a specified  
2 amount of paid or unpaid leave time, the payment of a prevailing  
3 wage except as provided by law, or any other requirement regarding  
4 management of personnel or employees.

5 (2) This act does not prohibit a governmental body within this  
6 state from doing any of the following:

7 (a) Enforcing a requirement of federal law or the law of this  
8 state.

9 (b) Adopting or enforcing an ordinance, policy, or resolution  
10 concerning a minimum wage, particular benefits, or a specified  
11 amount of paid or unpaid leave time for employees of that  
12 governmental body.

13 (c) Otherwise entering into an agreement providing for the  
14 rights and responsibilities of a contractor or developer and that  
15 governmental body with respect to the development of real property  
16 and the provision of governmental services to that property or  
17 services not otherwise related to the development of certain  
18 parcels or property within the governmental body.

19 Sec. 5. A community benefits ordinance or any other ordinance,  
20 policy, or resolution that is adopted in violation of this act is  
21 void.