

# HOUSE BILL No. 4554

April 16, 2013, Introduced by Reps. Tlaib, Switalski, Ananich, Roberts, Kosowski, Hovey-Wright, Banks, Durhal, Stallworth, Talabi and Lipton and referred to the Committee on Commerce.

A bill to amend 1964 PA 154, entitled "Minimum wage law of 1964," by amending sections 4, 4b, and 7a (MCL 408.384, 408.384b, and 408.387a), section 4 as amended by 2006 PA 81, section 4b as amended by 2006 PA 375, and section 7a as amended by 1997 PA 1.

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

1           Sec. 4. (1) Subject to the exceptions specified in this act,  
2 the minimum hourly wage rate shall be:

3           (a) Beginning September 1, 1997, \$5.15.

4           (b) Beginning October 1, 2006, \$6.95.

5           (c) Beginning July 1, 2007, \$7.15.

6           (d) Beginning July 1, 2008, \$7.40.

7           **(E) BEGINNING JANUARY 1, 2014, THE HIGHER OF THE MINIMUM WAGE**  
8 **SET FORTH IN THE FAIR LABOR STANDARDS ACT OF 1938, 29 USC 201 TO**

1 219, OR \$7.90.

2 (F) BEGINNING JULY 1, 2014, THE HIGHER OF THE MINIMUM WAGE SET  
3 FORTH IN THE FAIR LABOR STANDARDS ACT OF 1938, 29 USC 201 TO 219,  
4 OR \$8.40.

5 (G) BEGINNING JANUARY 1, 2015, THE HIGHER OF THE MINIMUM WAGE  
6 SET FORTH IN THE FAIR LABOR STANDARDS ACT OF 1938, 29 USC 201 TO  
7 219, OR \$9.00.

8 (H) BEGINNING JULY 1, 2015, THE HIGHER OF THE MINIMUM WAGE SET  
9 FORTH IN THE FAIR LABOR STANDARDS ACT OF 1938, 29 USC 201 TO 219,  
10 OR \$9.50.

11 (I) BEGINNING JANUARY 1, 2016, THE HIGHER OF THE MINIMUM WAGE  
12 SET FORTH IN THE FAIR LABOR STANDARDS ACT OF 1938, 29 USC 201 TO  
13 219, OR \$10.00.

14 ~~—— (2) Notwithstanding subsection (1), if a ballot proposal that~~  
15 ~~establishes a minimum wage is approved by the majority of electors~~  
16 ~~voting on the question at the general election on November 7, 2006,~~  
17 ~~the minimum wage shall be as established in the ballot proposal.~~

18 (2) IN JANUARY OF EACH YEAR FOLLOWING A YEAR IN WHICH THE  
19 THERE WAS NO CHANGE TO THE HIGHER OF THE STATE OR FEDERAL MINIMUM  
20 WAGE RATE OTHER THAN AN ADJUSTMENT PURSUANT TO THIS SUBSECTION, THE  
21 WAGE AND HOURS DIVISION OF THE DEPARTMENT OF LICENSING AND  
22 REGULATORY AFFAIRS SHALL CALCULATE AN ADJUSTED MINIMUM WAGE RATE.  
23 THE ADJUSTMENT SHALL INCREASE THE MINIMUM WAGE APPLICABLE IN THE  
24 PRECEDING YEAR BY THE RATE OF INFLATION. THE INCREASE SHALL BE  
25 CALCULATED BY MULTIPLYING THE OTHERWISE APPLICABLE MINIMUM WAGE BY  
26 THE 12-MONTH PERCENTAGE INCREASE, IF ANY, IN THE CONSUMER PRICE  
27 INDEX FOR URBAN WAGE EARNERS AND CLERICAL WORKERS, CPI-W, OR A

1 SUCCESSOR INDEX, AS PUBLISHED BY THE BUREAU OF LABOR STATISTICS OF  
2 THE UNITED STATES DEPARTMENT OF LABOR, BASED UPON THE MOST RECENT  
3 12-MONTH PERIOD FOR WHICH DATA ARE AVAILABLE. THE ADJUSTED MINIMUM  
4 WAGE RATE SHALL BE PUBLISHED BY FEBRUARY 1 OF THE YEAR IT IS  
5 CALCULATED AND IS EFFECTIVE BEGINNING APRIL 1 OF THAT YEAR.

6 Sec. 4b. (1) An employer may pay a new employee who is less  
7 than 20 years of age a training hourly wage of \$4.25 for the first  
8 90 days of that employee's employment. The hourly wage authorized  
9 under this subsection is in lieu of the minimum hourly wage  
10 otherwise prescribed by this act.

11 (2) ~~Except~~ **UNTIL JANUARY 1, 2014, EXCEPT** as provided in  
12 subsection (1), the minimum hourly wage for an employee who is less  
13 than 18 years of age is 85% of the general minimum hourly wage  
14 established in section 4.

15 (3) An employer shall not displace an employee to hire an  
16 individual at the hourly wage authorized under this section. As  
17 used in this subsection, "displace" includes termination of  
18 employment or any reduction of hours, wages, or employment  
19 benefits.

20 (4) A person who violates subsection (3) is subject to a civil  
21 fine of not more than \$1,000.00.

22 Sec. 7a. (1) The minimum hourly wage rate of an employee shall  
23 be ~~\$2.65 per hour~~ **AS PROVIDED IN SUBSECTION (2)**, if all of the  
24 following occur:

25 (a) The employee receives gratuities in the course of his or  
26 her employment.

27 (b) The **SUM OF THE** gratuities described in subdivision (a),

1 ~~equal or exceed the difference between \$2.65 per hour and PLUS THE~~  
2 **AMOUNT UNDER SUBSECTION (2), EQUALS OR EXCEEDS 70% OF** the minimum  
3 hourly wage established under section 4.

4 (c) The gratuities are proven gratuities as indicated by the  
5 employee's declaration for federal insurance contribution act  
6 purposes.

7 (d) The employee was informed by the employer of the  
8 provisions of this section.

9 (2) **FOR EMPLOYEES WHO MEET THE CONDITIONS UNDER SUBSECTION**  
10 **(1), THE MINIMUM HOURLY WAGE RATE SHALL BE AS FOLLOWS:**

11 (A) **FOR THE 1-YEAR PERIOD BEGINNING JANUARY 1, 2014, \$3.00.**

12 (B) **FOR EACH 1-YEAR PERIOD BEGINNING JANUARY 1, 2015 UNTIL THE**  
13 **RATE IS EQUAL TO 70% OF THE MINIMUM HOURLY WAGE RATE ESTABLISHED**  
14 **UNDER SECTION 4, THE RATE SHALL BE THE PREVIOUS YEAR'S MINIMUM**  
15 **HOURLY WAGE RATE PLUS THE LESSER OF \$0.85 OR THE AMOUNT NECESSARY**  
16 **TO EQUAL 70% OF THE MINIMUM HOURLY WAGE RATE ESTABLISHED IN SECTION**  
17 **4.**

18 (C) **AFTER THE RATE CALCULATED UNDER SUBDIVISION (B) EQUALS 70%**  
19 **OF THE MINIMUM HOURLY RATE ESTABLISHED UNDER SECTION (4), THE RATE**  
20 **SHALL BE 70% OF THE MINIMUM HOURLY WAGE RATE ESTABLISHED UNDER**  
21 **SECTION (4).**

22 (D) **THE RATE CALCULATED UNDER SUBDIVISION (B) OR (C) SHALL BE**  
23 **ROUNDED TO THE NEAREST \$0.05.**

24 (3) ~~(2)~~As used in this section, "gratuities" means tips or  
25 voluntary monetary contributions received by an employee from a  
26 guest, patron, or customer for services rendered to that guest,  
27 patron, or customer and that the employee reports to the employer

1 for purposes of the federal insurance contribution act, chapter 21  
2 of subtitle C of the internal revenue code of 1986, 26 ~~U.S.C.~~ **USC**  
3 3101 to 3128.