

## REPEAL LOCAL GOVERNMENT LABOR REGULATORY LIMITATION ACT

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 4237 as introduced**  
**Sponsor: Rep. Joey Andrews**  
**Committee: Labor**  
**Complete to 6-14-23**

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

House Bill 4237 would repeal 2015 PA 105, the Local Government Labor Regulatory Limitation Act.<sup>1</sup> The act prohibits a *local governmental body* from adopting, enforcing, or administering an ordinance, policy, or resolution that imposes certain requirements or regulations on an *employer*, including the payment of a minimum wage higher than the state minimum wage, the provision of paid or unpaid leave time or other fringe benefits, regulations on work stoppages or strikes, and regulations on the information requested or excluded on an employment application or during a job interview.

*Local governmental body* is defined in the act as any local government or its subdivision, including a city, village, township, county or educational institution; a local public authority, agency, board, commission, or other local governmental, quasi-governmental, or quasi-public body; or a public body that acts or purports to act in a commercial, business, economic development, or similar capacity for a local government or its subdivisions. Local governmental body does not include an authority established by interlocal agreement under the Urban Cooperation Act of 1967 to which the state is a party.

*Employer* is defined as a person or entity engaging in or intending to engage in a commercial activity, enterprise, or business in Michigan, but excludes a local governmental body or an educational institution.

MCL 123.1381 et seq. (repealed)

### BACKGROUND:

Twenty-eight states prevent local governments from adopting higher minimum wages, either through statute or court ruling.<sup>2</sup> In 2019, Colorado became the only state to repeal such a law.<sup>3</sup>

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<sup>1</sup> A full summary of the Local Government Labor Regulatory Limitation Act as enacted in 2015 can be found here: <http://www.legislature.mi.gov/documents/2015-2016/billanalysis/House/pdf/2015-HLA-4052-A6C9FD01.pdf>. The act was amended in 2018 to also prohibit a local government from regulating information requested or provided during a job interview.

<sup>2</sup> <https://www.pewresearch.org/short-reads/2021/03/12/when-it-comes-to-raising-the-minimum-wage-most-of-the-action-is-in-cities-and-states-not-congress/>. Court rulings in New Hampshire, New York, and Virginia have preempted local minimum wage ordinances. New York and Oregon statutes preempt local wage ordinances but establish higher minimum wages for the New York City and Portland metro areas.

<sup>3</sup> <https://leg.colorado.gov/bills/hb19-1210>.

As of March 2023, municipalities in nine states have enacted minimum wages above the state minimum.<sup>4</sup>

**FISCAL IMPACT:**

House Bill 4237 would not have any direct impact on revenues or expenditures for the state or any local units of government. By repealing the Local Government Labor Regulatory Limitation Act, 2015 PA 105, the bill would provide local governments with greater flexibility to address the relationship between nonpublic employers and their employees. The indirect impact of any local government policies regarding this relationship is indeterminate, as such actions may or may not occur.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.

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<sup>4</sup> The full list can be found here: <https://laborcenter.berkeley.edu/inventory-of-us-city-and-county-minimum-wage-ordinances/>.