

Legislative Analysis



PAY TRANSPARENCY

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House Bill 4406 as introduced
Sponsor: Rep. Alabas A. Farhat
Committee: Labor
Complete to 12-5-24

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

SUMMARY:

House Bill 4406 would amend 1978 PA 390, which regulates the payment of wages and fringe benefits to employees, to require an employer to provide an employee with wage information for *similarly situated employees* within 30 days of the employee's request.

Similarly situated employees would mean employees who are within the same job classification as the employee requesting the information or employees whose duties are comparable in skill, effort, responsibility, working conditions, and training to those of the employee requesting the information.

Employers could redact employees' names but would have to provide the following information about similarly situated employees covering a period of up to three years prior to the request:

- Information about the sex and seniority of the similarly situated employees.
- Salary and hourly wage information.
- Information about overtime pay and other forms of compensation.

The bill would go into effect 90 days after enactment.

MCL 408.483a

FISCAL IMPACT:

House Bill 4406 would have an indeterminate fiscal impact on the state and on local units of government.

Under the bill, an employer would be required to provide an employee with wage information not later than 30 days after the employee requests the wage information. An employer that fails to provide the information as requested would be guilty of a misdemeanor. The number of convictions that would result under provisions of the bill is not known.

New misdemeanor convictions would increase costs related to county jails and/or local misdemeanor probation supervision. Costs of local incarceration in county jails and local misdemeanor probation supervision, and how those costs are financed, vary by jurisdiction.

The fiscal impact on local court systems would depend on how provisions of the bill affected court caseloads and related administrative costs. It is difficult to project the actual fiscal impact to courts due to variables such as law enforcement practices, prosecutorial practices, judicial discretion, case types, and complexity of cases.

Any increase in penal fine revenue collected would increase funding used to support public and county law libraries, which are the constitutionally designated recipients of those revenues.

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