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Senate Bill 1186 (as introduced 12-5-24)
Sponsor: Senator John Cherry
Committee: Labor

(Senate-passed version)

Date Completed: 12-11-24

CONTENT

The bill would amend Public Act (PA) 10 of 2023, which requires prevailing wages and fringe benefits on State projects, to exempt a State project that was paid for by a bond or bond proposal and that was authorized under the Revised School Code before February 13, 2024, from prevailing wage and fringe benefit requirements.

Under PA 10, contracts for State projects must provide for prevailing wages and fringe benefits, which are generally the average hourly wage and benefits paid to the majority of workers in the locality in which the work is performed. Prevailing wage and fringe benefit requirements do not apply to a State project paid for, in whole or in part, with revenue from a millage that was authorized under the Revised School Code before February 13, 2024 (the effective date of PA 10).

The bill would expand the current exemption. Under the bill, prevailing wage and fringe benefits also would not apply to a State project paid for, in whole or in part, with revenue from a bond or bond proposal that was authorized under the Revised School Code before February 13, 2024.

MCL 408.1109

Legislative Analyst: Alex Krabill

FISCAL IMPACT

The bill could have a fiscal impact on the State and units of local government. It would remove bond and bond proposals for State projects from the requirement of prevailing wage if those bond or bond proposals were authorized before February 13, 2024. The total bond revenue is unchanged; however, if the State contracts without prevailing wage, it is possible that the overall costs of the project would be lower, which could allow the State to allocate the additional funding to other projects. Local governments that bonded to use for matching State funds for State projects would be affected in the same way.

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