



**House
Legislative
Analysis
Section**

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AMEND MINIMUM WAGE ACT

House Bill 4180

Sponsor: Rep. Bob Emerson

Committee: Human Resources and Labor

Complete to 9-9-96

A SUMMARY OF HOUSE BILL 4180 AS INTRODUCED 1-17-96

House Bill 4180 would amend the Minimum Wage Law of 1964 to increase the state minimum wage. The Minimum Wage Law of 1964 sets the minimum hourly wage rate that employers must pay to their employees in Michigan. In certain cases, however, employers are governed by the federal minimum wage law. The state's minimum wage law supersedes the federal law in cases where the minimum hourly wage established by the state's law is greater than the federal minimum hourly wage. However, the Michigan act is superseded by the federal minimum wage law in cases where the employer is: 1) engaged in interstate commerce; 2) has a gross annual dollar volume of \$500,000; 3) a hospital or health care facility that cares for the sick, aged or mentally ill; 4) a pre-school, elementary or secondary school, or college; 4) an agricultural employer who employs 500 man days of agricultural labor in a quarter for the current or previous year; 5) a federal, state, or local government; or 6) any enterprise covered by the Fair Labor Standards Act on March 31, 1990. (This refers to those employers who were subject to the federal minimum wage law in 1990 when the gross annual dollar volume requirement was raised from \$362,500 to \$500,000. Those businesses that had a gross dollar volume of \$362,500 or more but less than \$500,000 were required under federal law to continue to pay at least \$3.35 an hour, but were not required to pay the new federal minimum).

Currently, the Michigan minimum wage is set at \$3.35 per hour. The bill would provide for 4 annual increases in the minimum hourly wage set by the state. Specifically, the bill would set those increases as follows: January 1, 1981, \$3.35; April 1, 1995, \$4.25; April 1, 1996, \$4.65; April 1, 1997, \$5.00.

The bill would also remove language in the act that requires increases or decreases in the minimum hourly rate after 1967 to reflect corresponding changes in the cost of living.

Analyst: W. Flory

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