

Act No. 1  
Public Acts of 1997  
Approved by the Governor  
March 12, 1997  
Filed with the Secretary of State  
March 12, 1997

STATE OF MICHIGAN  
89TH LEGISLATURE  
REGULAR SESSION OF 1997

**Introduced by Senators Bennett and North**

# **ENROLLED SENATE BILL No. 1**

AN ACT to amend 1964 PA 154, entitled "An act to fix minimum wages for employees within this state; to prohibit wage discrimination; to provide for the administration and enforcement of this act; and to prescribe penalties for the violation of this act," by amending sections 4, 7, 7a, and 13 (MCL 408.384, 408.387, 408.387a, and 408.393) and by adding section 4b.

*The People of the State of Michigan enact:*

Sec. 4. Except as otherwise specified in this act, the minimum hourly wage rate shall be:

- (a) Beginning January 1, 1981, \$3.35.
- (b) Beginning May 1, 1997, \$4.75.
- (c) Beginning September 1, 1997, \$5.15.

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

(2) An employer shall not displace an employee to hire an individual at the hourly wage authorized under subsection (1). As used in this subsection, "displace" includes termination of employment or any reduction of hours, wages, or employment benefits.

(3) A person who violates subsection (2) is subject to a civil fine of not more than \$1,000.00.

Sec. 7. On petition of a party in interest or on his or her own motion, the director of the department of consumer and industry services shall establish a suitable scale of rates for apprentices, learners, and persons with physical or mental disabilities who are clearly unable to meet normal production standards. The rates established under this section may be less than the regular minimum wage rate for workers who are experienced and who are not disabled.

Sec. 7a. (1) The minimum hourly wage rate of an employee shall be \$2.65 per hour if all of the following occur:

- (a) The employee receives gratuities in the course of his or her employment.
- (b) The gratuities described in subdivision (a) equal or exceed the difference between \$2.65 per hour and the minimum hourly wage established under section 4.
- (c) The gratuities are proven gratuities as indicated by the employee's declaration for federal insurance contribution act purposes.
- (d) The employee was informed by the employer of the provisions of this section.

(2) As used in this section, "gratuities" means tips or voluntary monetary contributions received by an employee from a guest, patron, or customer for services rendered to that guest, patron, or customer and that the employee reports to the employer for purposes of the federal insurance contribution act, chapter 21 of subtitle C of the internal revenue code of 1986, 26 U.S.C. 3101 to 3128.

Sec. 13. (1) If any employer violates this act, the employee affected by the violation, at any time within 3 years, may:

(a) Bring a civil action for the recovery of the difference between the amount paid and the amount that, but for the violation, would have been paid the employee under this act and an equal additional amount as liquidated damages together with costs and such reasonable attorney's fees as may be allowed by the court.

(b) File a claim with the commissioner who shall investigate the claim.

(2) If the commissioner determines there is reasonable cause to believe that the employer has violated this act and the commissioner is subsequently unable to obtain voluntary compliance by the employer within a reasonable period of time, the commissioner shall bring a civil action under the procedures and remedies as provided in subsection (1)(a). The commissioner may investigate and file a civil action under subsection (1)(a) on behalf of all employees of that employer who are similarly situated at the same work site and who have not brought a civil action under subsection (1)(a). A contract or agreement between the employer and the employee or any acceptance of a lesser wage by the employee is not a bar to the action.

(3) In addition to bearing liability for civil remedies described in this section, an employer who fails to pay the minimum hourly wage in violation of this act, or who violates a provision of section 4a governing an employee's compensatory time, is subject to a civil fine of not more than \$1,000.00.

Enacting section 1. This amendatory act does not take effect unless House Bill No. 4177 of the 89th Legislature is enacted into law.

This act is ordered to take immediate effect.



Secretary of the Senate.



Clerk of the House of Representatives.

Approved \_\_\_\_\_

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Governor.