Legislative Analysis



MINOR WORK PERMITS

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

House Bill 5594 (H-2) as passed by the House

Sponsor: Rep. Phil Skaggs

Committee: Labor Complete to 12-19-24 Analysis available at http://www.legislature.mi.gov

(Enacted as Public Act 196 of 2024)

SUMMARY:

House Bill 5594 would amend the Youth Employment Standards Act to modify the procedures for issuing work permits to minors, modify the hours during which minors younger than 16 are allowed to work, and limit the circumstances under which a deviation can be granted for minors 16 and older.

Under the Youth Employment Standards Act, work permits for minor employees are issued and revoked by the chief administrator (or their authorized designee) of the minor's school district, intermediate school district (ISD), public school academy (PSA), or nonpublic school. The permits are kept on file at the minor's place of employment and in their permanent school record for the duration of employment, and after the minor terminates employment, their employer must return the work permit to the school administrator.

Beginning 18 months after it takes effect, House Bill 5594 would transfer the responsibility for issuing and revoking work permits to the LEO director or their designee. After this date, a minor would generally have to register with LEO before starting work in an occupation regulated by the Youth Employment Standards Act, and the person proposing to employ the minor would generally have to be authorized by LEO and in compliance with the act. After termination of employment, a minor's employer would have to directly notify LEO.²

LEO registration

The LEO director or designee would have to create and maintain a free, public, and online registration system that allows a minor, or a parent or legal guardian on the minor's behalf, to register for employment and that allows an employer to register to employ minors.

Minors and their parents or guardians would have to be able to submit information through the system that allows LEO to identify the minor's name, age, home address, and contact information, in addition to each parent's or legal guardian's name, home addresses, and contact information. A minor or their parent or legal guardian would also have to be able to describe a physical limitation of the minor.

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¹ For a fact sheet on Michigan's youth labor rules, see: https://www.michigan.gov/-media/Project/Websites/leo/Folder23/whd9803 act 90 brochure JH Sugg Edits.pdf.

² A minor hired before the 18-month implementation date, and their employer, would be exempt from the bill's registration requirements until the minor becomes employed by a different employer, the primary location at which the minor works is changed, or the minor turns 16.

The system would have to automatically notify an employer for which a minor registers for employment. Before hiring a minor, the employer would have to submit the following information to the registration system, in addition to any other information required by LEO:

- The employer's name and contact information.
- The minor's name and contact information.
- The address of each of the employer's worksites and the minor's proposed primary
- The name of each minor currently employed.
- A signed statement made under penalty of perjury that the employer will comply with all applicable youth employment laws.

The LEO director could establish other requirements for the system that they determine to be relevant.

Information in the registration system (other than information in the youth employer database, as described below) would be exempt from disclosure under the Freedom of Information Act (FOIA), and LEO could disclose information in the system only as necessary for enforcement and implementation of the Youth Employment Standards Act.

Permit approval

Within five days after a minor and their employer complete the online registration, the LEO director or designee would have to determine whether the minor's employment would be in compliance with the act and notify the employer, minor, and parent or guardian of their determination and of any deviations that have been requested or authorized. If LEO does not notify the required individuals by the deadline, the minor could immediately begin work for the employer.

The online registration system would have to allow a minor, parent or legal guardian, or employer to review a determination. A parent or legal guardian would have five days after receiving the notice to notify LEO that they do not consent to a deviation or portion of the deviation, and then the deviation or portion of the deviation would not be authorized.

Youth employer database

The LEO director or would have to create a database of authorized employers based on the information in the registration system that displays, upon each authorized employer's request, the employer's name and address and that is available online to the public at no cost. If the LEO director or designee determines that an employer in the database is unauthorized to employ minors under the Youth Employment Standards Act, they would have to immediately remove the employer.

Work hours for minors under 16

Currently, a minor who is 14 or 15 years old cannot work outside the hours of 7 a.m. to 9 p.m., cannot work for more than six days in one week or for a period longer than a weekly average of eight hours per day or 48 hours per week, and cannot work for more than ten hours in a day. If the minor is a student, they cannot be employed more than a combined school and work week of 48 hours while school is in session.

Instead, HB 5594 would prohibit 14- and 15-year-olds from working outside the hours of 7 a.m. and 9 p.m. between June 1 and Labor Day and outside the hours of 7 a.m. and 7 p.m. for the rest of the year. In addition, those minors could work for a maximum of three hours per day and 18 hours a week during a week when school is in session, and a maximum 40 hours per week with no daily limit when school is not in session. (As is current law, the bill would provide that 14- and 15-year-olds can only work during times outside of school hours.³) These provisions would be identical to federal requirements for 14- and 15-year-olds.⁴

Deviations

Currently, 16- and 17-year-olds cannot work between 10:30 p.m. (or 11:30 p.m. on weekends and while school is not in session) and 6 a.m. without receiving approval from LEO for a deviation from those hours. Those 15 and younger may not work outside the hours of 7 a.m. to 9 p.m. and are not eligible to receive a deviation.

The bill would prohibit a deviation that allows a minor to be employed to work between the hours of midnight and 5 a.m. or that allows a minor to be employed in, about, or in connection with an occupation that is hazardous or injurious to their health or personal well-being.

MCL 409.102 et seq.

HOUSE FLOOR ACTION:

The H-2 substitute for House Bill 5594 that was adopted and passed by the House is identical to the S-1 substitute for Senate Bill 964 as passed by the Senate. Among other things, the H-2 substitute amends the bill as introduced to exempt minors who are employed at the time the bill takes effect (and their employers) from registration until the minor changes employers, changes primary work locations, or turns 16; require the notification system to automatically notify employers upon a minor's registration; require an employer's information to be publicly displayed in the database only upon the employer's request; incorporate federal standards for work hours for minors under 16 years of age; and limit the hours during which LEO may grant a deviation for minors who are 16 years of age or older.

BRIEF DISCUSSION:

According to committee testimony, 37 states require minors to receive a permit before starting work. Of these states, 11 require permits to be issued by the state's department of labor, 20 (including Michigan) require permits to be issued by schools, and six require approval from both entities.

Supporters of House Bill 5594 argue that the bill would modernize and standardize the permitting process under the Youth Employment Standards Act for employers and minors statewide, and shifting to online registration with LEO and an electronic database would expedite the process and eliminate administrative burdens for schools. They add that such a

³ Outside school hours would mean, as defined in 29 CFR 570.35, such periods as before and after school hours, holidays, summer vacations, weekends, and any other day or part of a day when school is not in session as determined by the applicable local public school district. Summer school sessions held outside the regular school year are considered to be outside of school hours.

⁴ See: https://www.ecfr.gov/current/title-29/subtitle-B/chapter-V/subchapter-A/part-570/subpart-C/section-570.35

change would also resolve inconsistencies between school districts in how quickly they can issue permits, particularly during the summer when more permits are requested but school is not in session. Supporters also point to the bill's benefit to employers, who would only have to enter their information into the registration system once.

No arguments opposing the bill were presented during committee testimony, but concerns were raised about the necessity of a public employer registry and the potential added administrative burden on employers. Concerns were also raised that a child who wants to report a violation would feel more comfortable going to their school counselor, as is currently done, than filling out an online form administered by a state agency.

FISCAL IMPACT:

House Bill 5594 would create additional costs for the Department of Labor and Economic Opportunity. Costs would be incurred for the registration system, employer database, and for LEO's other responsibilities under the bill. The department projects that one-time costs of \$810,000 would be incurred, with ongoing costs totaling \$310,000 annually. These cost estimates include costs for two additional FTE positions and information technology modifications. The bill would not create any additional revenue for LEO.

POSITIONS:

Representatives of the Department of Labor and Economic Opportunity testified in support of the bill. (5-23-24)

The following entities indicated support for the bill (11-14-24):

- Barry County Intermediate School District
- Branch County Intermediate School District
- Calhoun County Intermediate School District
- International Brotherhood of Electrical Workers Michigan State Conference
- Jackson County Intermediate School District
- Lenawee County Intermediate School District
- Michigan AFL-CIO
- Michigan Association of School Boards
- Michigan Association of Secondary School Principals
- Michigan Immigrant Rights Center
- Michigan League for Public Policy
- Michigan Nurses Association
- Monroe County Intermediate School District
- United Food and Commercial Workers Local 876
- United Food and Commercial Workers Local 951

The following entities indicated a neutral position on the bill (11-14-24):

- Michigan Chamber of Commerce
- Michigan Retailers Association

The following entities indicated opposition to the bill:

- Grand Rapids Chamber (5-23-24)
- Home Builders Association of Michigan (11-14-24)
- Michigan Restaurant and Lodging Association (5-23-24)
- National Federation of Independent Business (5-23-24)
- Small Business Association of Michigan (5-23-24)

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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.