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BILL ANALYSIS

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Senate Bill 171 (as introduced 3-9-23)  
Sponsor: Senator Sean McCann  
Committee: Labor

Date Completed: 6-20-23

### **CONTENT**

The bill would repeal the Local Government Labor Regulatory Limitation Act, which generally prohibits a local governmental body from regulating the employment relationship between a nonpublic employer and its employees. Among other prohibitions in the Act, a local governmental body may not require an employer to pay an employee a wage higher than the State minimum hourly wage or other fringe benefits, regulate strike activity, or regulate an employer's hours or scheduling of employees.

MCL 123.1381 - 123.1396 (repealed)

### **PREVIOUS LEGISLATION**

*(Please note: This section does not provide a comprehensive account of all previous legislative efforts on the relevant subject matter.)*

The bill is a reintroduction of House Bill 4592 from the 2021-2022 Legislative Session.

Legislative Analyst: Alex Krabill

### **FISCAL IMPACT**

The bill would likely have a positive fiscal impact on local units of government and the State. It would allow local governmental units to set a wage higher than the State minimum wage, and regulate hours worked, wages, and benefits. If a local unit of government increased wages above the current minimum wage, State income tax revenues would increase and costs for human services would decrease. If a local unit of government increased the minimum wage and the local government unit had an income tax, the local government unit also would benefit from higher income tax revenue. The local government unit also could benefit from lower human services costs; however, if wages and benefits increased for the local units of government, school districts, or the State, the bill also could increase the costs to these organizations.

Fiscal Analyst: Bobby Canell

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