



Senate Fiscal Agency  
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## BILL ANALYSIS



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Senate Bill 1173 (as reported without amendment)  
Sponsor: Senator Jeremy Moss  
Committee: Labor

**CONTENT**

The bill would amend the Local Government Labor Regulatory Limitation Act to do the following:

- Allow a local government to implement an ordinance, policy, or resolution requiring an employer to pay an employee a wage higher than the State's minimum wage if the ordinance, policy, or resolution were adopted after the bill's effective date and required an employer to pay a higher wage as a prevailing wage.
- Allow a local government to implement an ordinance, policy, or resolution limiting the hours and scheduling of an employee who worked on a project to which a project labor agreement applied.
- Repeal Sections 6, 7, 10, 11, and 12 of the Act, which respectively prohibit a local government from implementing an ordinance, policy, or resolution that requires the payment of prevailing wage; regulates work stoppages and strikes; requires educational apprenticeship programs; requires employers to pay specific fringe benefits; and creates remedies for wage, hour, or benefit disputes.

MCL 123.1385 et al.

**BRIEF RATIONALE**

Public Act (PA) 105 of 2015 enacted the Local Government Labor Regulatory Limitation Act, which effectively enacted a State preemption of local laws for employee wages and benefits; however, some believe that local governments should be able to debate issues of employee wages and benefits and decide what is best for their communities because local governments have a vested interest in keeping money within their communities. For these reasons, repealing specific preemptions in PA 105 has been suggested.

Legislative Analyst: Alex Krabill

**FISCAL IMPACT**

The bill would have no direct fiscal impact on the State or local government units. It could have a potential impact on local government units as it would allow local governments, in some cases, to be exempt from a ban on requiring higher wages than the State minimum hourly wage rate. In those cases where a local government unit could impose a higher wage on employers, contractors, and subcontractors, there could be an increase to costs to those local government units.

Date Completed: 12-12-24

Fiscal Analyst: Bobby Canell