

# HOUSE BILL NO. 4295

March 25, 2025, Introduced by Reps. Scott, Rogers, Byrnes, Price, Paiz, Wooden, Pohutsky, Foreman, Myers-Phillips, Rheingans, Dievendorf, MacDonell, Morgan, Longjohn, Brixie, Mentzer, Tsernoglou, Hoskins, Young, Conlin, Coffia, Hope, T. Carter, McKinney, Breen, Grant, Koleszar, Martus, Fitzgerald, Glanville, O'Neal, B. Carter, Weiss, McFall, Farhat and Wegela and referred to Committee on Economic Competitiveness.

A bill to allow certain employers to obtain a fair paycheck workplace certificate; to provide for the powers and duties of certain state governmental officers and entities; to require the promulgation of rules; to prohibit employers that do not possess a fair paycheck workplace certificate from claiming to possess a fair paycheck workplace certificate; and to prescribe civil sanctions.

## **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 1. This act may be cited as the "fair paycheck workplace  
2   certificate act".

1       Sec. 3. As used in this act:

2       (a) "Compensation" means all money paid to an employee for  
3 services performed by the employee, including commissions, bonuses,  
4 and tips. Compensation does not include the value of any of the  
5 following:

6       (i) A health, welfare, or retirement benefit.

7       (ii) Paid leave.

8       (iii) Separation or holiday pay.

9       (iv) Any other fringe benefit.

10      (b) "Department" means the department of labor and economic  
11 opportunity.

12      (c) "Director" means the director of the department or the  
13 director's designee.

14      (d) "Employee" means an individual who performs a service for  
15 wages or other remuneration for an employer.

16      (e) "Employer" means a person that employs 1 or more  
17 employees.

18      (f) "Fair paycheck workplace certificate" or "certificate"  
19 means a certificate issued by the director under section 5.

20      (g) "Person" means an individual or a partnership,  
21 corporation, limited liability company, association, governmental  
22 entity, or other legal entity.

23      (h) "Protected attribute or characteristic " means the  
24 religion, race, color, national origin, age, sex, sexual  
25 orientation, gender identity or expression, height, weight,  
26 familial status, marital status, or any other attribute or  
27 characteristic of an individual that is protected under the Elliot-  
28 Larsen civil rights act, 1976 PA 453, MCL 37.2101 to 37.2804.

29      Sec. 5. (1) To obtain a fair paycheck workplace certificate,

1 an employer must submit a signed application and the application  
2 fee to the director in accordance with this section and the rules  
3 promulgated under section 11. An employer shall include all of the  
4 following information in the employer's application:

5 (a) The name and address of the employer.

6 (b) The total number of employees employed by the employer.

7 (c) If known by the employer, the protected attributes or  
8 characteristics of each of the employer's employees.

9 (d) Payroll records that show the gross amount of compensation  
10 paid to each of the employer's employees during the calendar year  
11 immediately preceding the year in which the employer submits the  
12 employer's application.

13 (e) Any other information that is necessary to determine  
14 whether to issue a certificate, as determined by the director.

15 (2) Not later than 15 days after the director receives an  
16 employer's application and application fee, the director shall  
17 issue a certificate to an employer if both of the following  
18 conditions are met:

19 (a) The employer includes all of the information listed in  
20 subsection (1) in the employer's application.

21 (b) The director determines, based on the information included  
22 in the employer's application, that less than a 5% difference  
23 exists between the average gross compensation the employer paid to  
24 employees with different protected attributes or characteristics.

25 (3) If the director rejects the employer's application, the  
26 director shall issue a statement to the employer that explains the  
27 reason for the rejection.

28 (4) An initial certificate expires 6 months after the date it  
29 is issued. A certificate other than an initial certificate expires

1 1 year after the date it is issued. An employer may renew a  
2 certificate by submitting a signed application and the application  
3 fee to the director in accordance with this section and the rules  
4 promulgated under section 11.

5 (5) Information about an individual that an employer provides  
6 to the director for the purpose of obtaining a certificate is  
7 exempt from disclosure under the freedom of information act, 1976  
8 PA 442, MCL 15.231 to 15.246.

9 Sec. 7. (1) An employer shall not claim to possess a fair  
10 paycheck workplace certificate or otherwise indicate that the  
11 employer possesses a fair paycheck workplace certificate unless the  
12 employer possesses an unexpired fair paycheck workplace  
13 certificate.

14 (2) An employer that violates this section is subject to a  
15 civil fine of not more than \$1,000.00. The prosecutor of the county  
16 in which the violation occurred or the attorney general may bring  
17 an action to collect the fine. A fine collected must be deposited  
18 in the general fund of this state.

19 Sec. 9. The director shall establish and maintain a database  
20 of employers that have been issued a fair paycheck workplace  
21 certificate under this act. The director shall include for each  
22 employer the employer's name and address and whether the employer's  
23 certificate is current or expired. The director shall post the  
24 database on a website that is accessible by the public at no cost.

25 Sec. 11. (1) A determination made under this act or an appeal  
26 of a determination made under this act must be made in accordance  
27 with the administrative procedures act of 1969, 1969 PA 306, MCL  
28 24.201 to 24.328.

29 (2) The director shall promulgate rules to implement this act

1 under the administrative procedures act of 1969, 1969 PA 306, MCL  
2 24.201 to 24.328. The rules promulgated by the director must  
3 include, at a minimum, both of the following:

4 (a) The manner in which an application must be submitted under  
5 section 5.

6 (b) The application fee. The application fee must not be more  
7 than the amount that is necessary to administer this act, as  
8 determined by the director.