



GRAND RAPIDS AREA
CHAMBER OF COMMERCE



WHY THE BUSINESS COMMUNITY SUPPORTS LEGISLATION TO PREEMPT LOCAL EMPLOYMENT LAWS HB 4052/SB 337

The Problem:

- Local units of government are increasingly following the national trend and passing local laws governing private employers' relations with their employees, mandating paid or unpaid leave time, setting wages higher than the state requires and/or regulating other benefits and terms and conditions of employment.
- These laws and ordinances are detailed and complex and expressly apply to small and large employers and cover both full- and part-time employees.
- Many variables come into play with these local laws that make it extremely burdensome on business, especially if a business has multiple locations and therefore multiple rules to follow.
- Proponents of these mandates have placed several Michigan cities on their target list.

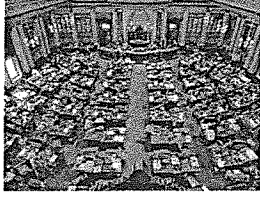
Why We Support HB 4052/SB 337:

- Employers should not be forced to deal with a patchwork of employment-related mandates.
- House Bill 4052/Senate Bill 337 would prohibit local units of government from adopting, enforcing or administering ordinances, policies or resolutions establishing any requirement related to employee wages or benefits, such as local minimum wage ordinances, local prevailing wage ordinances, local paid or unpaid leave mandates, wage or fringe benefit mandates or scheduling mandates.
- Absent this legislation, Michigan's 1800-plus local units of government could each enact their own rules and regulations governing private employers' relations with their employees, creating inconsistency, confusion and a bureaucratic and red tape nightmare.
- It doesn't make sense for local units of government to enact costly, one-size-fits-all leave mandates on job providers, as these mandates have the unfortunate effect of putting those local community's jobs and businesses at risk.
- Mandatory paid leave initiatives are sweeping the country. Twelve cities (including New York, Philadelphia and Portland, OR) passed ordinances in the past year. We need to get ahead of this issue in Michigan.
- With more than 450 federal, state and local attendance and leave laws nationwide, the terms "patchwork" and "hodge-podge" vastly understate the compliance challenges multi-unit and multi-state employers face.
- Michigan is not alone in its consideration of this type of legislation. For example, at least 20 states have moved to preempt paid sick leave mandates, at least five states have comprehensive employment law preemption laws on the books and 19 states preempt local minimum wage laws.

Editorial: Keep the Michigan economy competitive

The Detroit News 12:02 a.m. EDT May 26, 2015

Legislature should pass bill preventing communities from imposing crazy quilt of wages, benefits across state



(Photo: Al Goldis / AP)

A bill working its way through the Legislature would prevent local governments from interfering with state-mandated employer-employee relationships. Anything concerning wages, working hours and benefits would be exempt from local control. That's the right approach.

The legislation makes sense because the local ordinances would create a regulatory hodge podge, with mandates imposed by one community having a negative affect on its neighbors — and on the state economy. Employers should not have to comply with conflicting employment rules.

"The bill will make clear that employment rules in Michigan are properly set by state and federal government and not by local ordinances," says Rep. Earl Poleski, R-Jackson, main sponsor of the bill.

He notes, however, the bill does not preclude local anti-discrimination ordinances dealing with hiring.

Poleski says the legislation is in response to a national trend of cities are passing ordinances that put businesses at competitive disadvantages.

For example, Los Angeles last week raised the minimum wage almost 70 percent, to \$15 an hour from \$9 an hour over the next five years. San Francisco, Chicago, Seattle and Oakland, Calif., have already approved such increases. Reportedly, similar minimum wage boosts are being considered in New York, Kansas City and Washington D.C.

Last year San Francisco became the country's first jurisdiction to limit how chain stores can alter their employees' schedules. The law requires any retail chain with 20 or more locations worldwide that employs 20 or more people within the city to provide two weeks' notice for changes in a worker's schedule. Violations would not only force employers to pay higher hourly wages for any time worked but also compensate employees for hours lost. Other big cities are considering comparable laws.

That is unacceptable meddling in the operations of a business.

Local wage and work rule regulations will boost the cost of companies doing business in a community. To adjust, businesses will be forced to take action affecting employees, such as reducing hours and laying off workers. Ironically, laws aimed at helping employees will do just the opposite. In addition, they will make it more difficult for businesses to stay open.

Wendy Block, director of health policy and human resources for the Michigan Chamber of Commerce, says without this proposed bill, local regulations could create an unwieldy patchwork of laws that would make Michigan a business nightmare.

She notes it could place some businesses on a "high-cost island" of unfair competition. Some companies in one community would have higher expenses not faced by a competitor just a few blocks away in another municipality.

Without this legislation, Michigan's 1,800-plus local governmental units could enact each their own regulations.

The bill is intended to treat employees and employers fairly.

The Legislature should approve this legislation. And Gov. Rick Snyder, who pushes to improve Michigan's business climate, shouldn't hesitate to sign it.

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