

Legislative Analysis



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House Bill 4406 as reported from committee

Sponsor: Rep. Alabas A. Farhat

Committee: Labor

Complete to 12-7-24

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4406 would amend 1978 PA 390, which regulates the payment of wages and fringe benefits to employees, to require an employer to provide an employee with wage information for *similarly situated employees* within 30 days of the employee's request.

Similarly situated employees would mean employees who are within the same job classification as the employee requesting the information or employees whose duties are comparable in skill, effort, responsibility, working conditions, and training to those of the employee requesting the information.

Employers could redact employees' names but would have to provide the following information about similarly situated employees covering a period of up to three years prior to the request:

- Information about the sex and seniority of the similarly situated employees.
- Salary and hourly wage information.
- Information about overtime pay and other forms of compensation.

The bill would go into effect 90 days after enactment.

MCL 408.483a

BRIEF DISCUSSION:

During committee testimony, opponents of the bill argued that there are many reasons why one employee may have a different salary or wage rate than another, and it would be a violation of privacy to disclose wage information to another employee. Concerns were also raised about the ability to identify employees of a small business by their pay information, even if their names were redacted.

FISCAL IMPACT:

House Bill 4406 would have an indeterminate fiscal impact on the state and on local units of government. Under the bill, an employer would be required to provide an employee with wage information not later than 30 days after the employee requests the wage information. An employer that fails to provide the information as requested would be guilty of a misdemeanor. The number of convictions that would result under provisions of the bill is not known. New misdemeanor convictions would increase costs related to county jails and/or local misdemeanor probation supervision. Costs of local incarceration in county jails and local misdemeanor probation supervision, and how those costs are financed, vary by jurisdiction.

The fiscal impact on local court systems would depend on how provisions of the bill affected court caseloads and related administrative costs. It is difficult to project the actual fiscal impact to courts due to variables such as law enforcement practices, prosecutorial practices, judicial discretion, case types, and complexity of cases. Any increase in penal fine revenue collected would increase funding used to support public and county law libraries, which are the constitutionally designated recipients of those revenues.

POSITIONS:

Representatives of the following entities testified in support of the bill (4-13-23):

- Integrity Interiors Inc.
- Michigan Association for Justice
- Michigan Regional Council of Carpenters and Millwrights
- Woods Construction

The following entities indicated support for the bill:

- American Association of University Women of Michigan (12-5-24)
- IBEW Michigan State Conference (4-13-23)
- League of Women Voters of Michigan (12-5-24)
- Michigan Laborers District Council (12-5-24)
- Michigan League for Public Policy (12-5-24)
- Michigan Nurses Association (12-5-24)
- United Food and Commercial Workers Local 876 (12-5-24)

The Michigan Immigrant Rights Center indicated a neutral position on the bill. (12-5-24)

Representatives of the following entities testified in opposition to the bill (4-13-23):

- Michigan Chamber of Commerce
- National Federation of Independent Business

The following entities indicated opposition to the bill:

- Associated Builders and Contractors of Michigan (12-5-24)
- Detroit Chamber (12-5-24)
- Home Builders Association of Michigan (12-5-24)
- Michigan Ground Water Association (12-5-24)
- Michigan Manufacturers Association (12-5-24)
- Michigan Retailers Association (12-5-24)
- Small Business Association of Michigan (12-5-24)

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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.