



Oppose The MI Employment Uncertainty Act (HB 4237)

We oppose legislation (HB 4237) granting local units of government the right to adopt a patchwork scheme of complicated new mandates governing employers' relations with their employees. The primary reason: many of the components this legislation opens are already enforced and regulated with consistent and fair application of the law at the state and federal level. These policies will have unintended consequences and benefit the few at the cost of many, including having a possible impact on population growth harming our positive business climate.

Here are the top things to know about the "MI Employment Uncertainty Act":

- Our opposition is not about *whether* employers should offer a fair wage, paid or unpaid leave time, or any other employee benefit. Rather, it is about who should make these decisions.
- HB 4237 would give Michigan's 1,800-plus local units of government permission to enact their own complex web of rules and regulations governing private employers' relations with their employees, creating inconsistency, confusion, and a bureaucratic, red-tape nightmare for business owners and employees.
- HB 4237 could make some areas of our states "high-cost islands," limiting community access to jobs and necessities, reducing incentives to invest in the communities that adopt them, and, ultimately, discouraging population and economic growth in our state.
- Local employment-related laws and ordinances tend to be detailed and complex. They are especially burdensome for small businesses who do not have the administrative resources, staff or budgets to absorb the accompanying costs. Businesses unable to absorb the added costs could be forced to make difficult decisions, which could include significantly raising prices, automating jobs, reducing hours or laying off employees.
- Michigan is not alone in giving the state sole authority to regulate private employment policies. Forty-four states have moved to preempt local labor laws, a trend that has picked up significantly since 2013.
- Many variables come into play with these local laws that make it extremely burdensome on job providers, especially those with multiple locations and therefore multiple, and potentially overlapping, rules to follow.

States have been blocking local labor laws for two decades, but the trend has picked up significantly since 2013

- Minimum wage
- Fair scheduling
- Project labor agreements
- Prevailing wage
- Paid leave
- Gig economy



Source: Economic Policy Institute - <https://www.epi.org/preemption-map/>