

JUNIOR ICE HOCKEY PLAYER EMPLOYMENT

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Senate Bill 483 reported from committee w/o amendment
Sponsor: Sen. Ken Horn

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

Senate Bill 485 reported w/o amendment
Sponsor: Sen. Jim Stamas

Senate Bill 486 reported w/o amendment
Sponsor: Sen. Jim Ananich

House Committee: Commerce and Trade
Senate Committee: Commerce
Complete to 12-7-17

(Enacted as Public Acts 243, 244, and 245 of 2017)

BRIEF SUMMARY: Senate Bills 483, 485, and 486 would amend acts related to employment to stipulate that the acts do not apply to certain junior ice hockey players.

FISCAL IMPACT: Senate Bills 483 and 485 would not have a fiscal impact on any units of state or local government. Senate Bill 486 would have no fiscal impact on the state, but could reduce costs for local units of government. (See **FISCAL INFORMATION**, below, for more information.)

THE APPARENT PROBLEM:

The Canadian Hockey League (CHL) is one of the world's premier junior ice hockey leagues, and is composed of three member leagues. Reportedly, the CHL sends more of its players to the National Hockey League (NHL) than any other junior league. Currently, however, the CHL and its member leagues are involved in ongoing litigation in Canadian courts surrounding the employment status of junior hockey players. The leagues face class-action lawsuits from current and former players seeking, among other things, payment for hourly wages.

At issue in the cases is whether the junior hockey players are employees who would be subject to labor and employment regulations, like minimum wage and overtime pay, or whether they are amateur student athletes who receive compensation in a different form, including a college scholarship program and the chance of potentially playing professionally in the NHL.

The Ontario Hockey League (OHL), one of the CHL's member leagues, has two teams located in Michigan—the Flint Firebirds and Saginaw Spirit. While these teams are not part of the ongoing Canadian litigation (as Canadian courts do not have jurisdiction over U.S. labor law), they could at some point in the future face similar lawsuits. Reportedly, if the players represented in the class-action lawsuit win, the league and teams would face incredible financial hardship, potentially ending in dissolution of the league. Legislation has been introduced to exempt these players from applicable Michigan employment laws, thereby protecting the Michigan-based teams from similar class-action lawsuits.

THE CONTENT OF THE BILLS:

SB 483 would amend the Workforce Opportunity Wage Act to stipulate that the act does not apply to an individual who is at least 16 years of age but less than 21 years of age in his or her capacity as an ice hockey player for a junior ice hockey team that is a member of a regional, national, or international junior ice hockey league. [The Workforce Opportunity Wage Act sets the state's minimum wage.]

MCL 408.420

SB 485 would amend the Youth Employment Standards Act to stipulate that the act does not apply to a minor (individual under 18) in his or her capacity as an ice hockey player described above. [The Youth Employment Standards Act set standards for the employment of minors, including work permits, days and hours of employment, and meal breaks.]

Proposed MCL 409.118a

SB 486 would amend 1903 PA 106 to stipulate that the act does not apply to an individual who is at least 16 years of age but less than 21 years of age in his or her capacity as an ice hockey player described above. [1903 PA 106 requires an employer to specify in writing the terms and conditions of work for an individual who agrees to work for the employer at a point away from his or her home locality, and prescribes penalties for misrepresentation.]

Proposed MCL 408.582a

Each bill would take effect 90 days after being enacted into law. SBs 485 and 486 are tie-barred to SB 483, meaning that neither can take effect unless SB 483 is enacted into law.

FISCAL INFORMATION:

Senate Bill 486 would have no fiscal impact on the state, but could reduce costs for local units of government. Depending on the number of individuals that would no longer be prosecuted, given provisions of the bill, costs related to county jails and/or local misdemeanor probation supervision could be reduced. The costs of local incarceration in county jails and local misdemeanor probation supervision vary by jurisdiction. There could also be a decrease in penal fine revenues, which would decrease funding for local libraries, the constitutionally designated recipients of those revenues.

ARGUMENTS:

For:

The bills ensure that the two junior hockey teams operating in Michigan will continue to operate as normal, and will face no future litigation regarding the employment status of players. Reportedly, the teams have become essential members of the Flint and Saginaw communities, as sources of affordable entertainment, reliable tenants of convention centers, and drivers of related economic growth and revitalization. The teams are focused

on player development and community, with activities that support local charities and events.

For:

The bills are in no way remarkable or onerous for the junior hockey players, their families, or teams: they simply continue current practices. Players are drafted into the OHL with full knowledge that they will not be paid a minimum wage, families understand the demands of practice and competition, and teams work to provide a safe and enriching experience for players. The existing system is well-understood and has worked favorably for players, families, and teams. Finally, legislation of this kind has been approved in other states and provinces; these bills are said to be based on law passed in the state of Washington.

POSITIONS

Representatives of the following entities testified and indicated support for the bills:

Canadian Hockey League (11-7-17)

Ontario Hockey League (11-7-17)

Saginaw Spirit (11-7-17)

Flint Firebirds (11-7-17)

Legislative Analyst: Patrick Morris
Fiscal Analysts: Marcus Coffin
Robin Risko

■ 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.