

SENATE BILL No. 1177

June 12, 2012, Introduced by Senators JOHNSON, HUNTER, SMITH, BIEDA, GREGORY, HOOD, YOUNG, WARREN, HOPGOOD, GLEASON and ANDERSON and referred to the Committee on Government Operations.

A bill to amend 1964 PA 154, entitled
"Minimum wage law of 1964,"
by amending sections 4 and 7a (MCL 408.384 and 408.387a), section 4
as amended by 2006 PA 81 and section 7a as amended by 1997 PA 1.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. (1) Subject to the exceptions specified in this act,
2 the minimum hourly wage rate shall be:

3 (a) Beginning September 1, 1997, \$5.15.

4 (b) Beginning October 1, 2006, \$6.95.

5 (c) Beginning July 1, 2007, \$7.15.

6 (d) Beginning July 1, 2008, \$7.40.

7 (E) BEGINNING JANUARY 1, 2013, THE HIGHER OF THE MINIMUM WAGE
8 SET FORTH IN THE FAIR LABOR STANDARDS ACT OF 1938, 29 USC 201 TO
9 219, OR \$7.90.

1 (F) BEGINNING JULY 1, 2013, THE HIGHER OF THE MINIMUM WAGE SET
2 FORTH IN THE FAIR LABOR STANDARDS ACT OF 1938, 29 USC 201 TO 219,
3 OR \$8.40.

4 (G) BEGINNING JANUARY 1, 2014, THE HIGHER OF THE MINIMUM WAGE
5 SET FORTH IN THE FAIR LABOR STANDARDS ACT OF 1938, 29 USC 201 TO
6 219, OR \$9.00.

7 (H) BEGINNING JULY 1, 2014, THE HIGHER OF THE MINIMUM WAGE SET
8 FORTH IN THE FAIR LABOR STANDARDS ACT OF 1938, 29 USC 201 TO 219,
9 OR \$9.50.

10 (I) BEGINNING JANUARY 1, 2015, THE HIGHER OF THE MINIMUM WAGE
11 SET FORTH IN THE FAIR LABOR STANDARDS ACT OF 1938, 29 USC 201 TO
12 219, OR \$10.00.

13 ~~—— (2) Notwithstanding subsection (1), if a ballot proposal that~~
14 ~~establishes a minimum wage is approved by the majority of electors~~
15 ~~voting on the question at the general election on November 7, 2006,~~
16 ~~the minimum wage shall be as established in the ballot proposal.~~

17 (2) IN JANUARY OF EACH YEAR FOLLOWING A YEAR IN WHICH THE
18 THERE WAS NO CHANGE TO THE HIGHER OF THE STATE OR FEDERAL MINIMUM
19 WAGE RATE OTHER THAN AN ADJUSTMENT PURSUANT TO THIS SUBSECTION, THE
20 WAGE AND HOURS DIVISION OF THE DEPARTMENT OF LICENSING AND
21 REGULATORY AFFAIRS SHALL CALCULATE AN ADJUSTED MINIMUM WAGE RATE.
22 THE ADJUSTMENT SHALL INCREASE THE MINIMUM WAGE APPLICABLE IN THE
23 PRECEDING YEAR BY THE RATE OF INFLATION. THE INCREASE SHALL BE
24 CALCULATED BY MULTIPLYING THE OTHERWISE APPLICABLE MINIMUM WAGE BY
25 THE 12-MONTH PERCENTAGE INCREASE, IF ANY, IN THE CONSUMER PRICE
26 INDEX FOR URBAN WAGE EARNERS AND CLERICAL WORKERS, CPI-W, OR A
27 SUCCESSOR INDEX, AS PUBLISHED BY THE BUREAU OF LABOR STATISTICS OF

1 THE UNITED STATES DEPARTMENT OF LABOR, BASED UPON THE MOST RECENT
2 12-MONTH PERIOD FOR WHICH DATA ARE AVAILABLE. THE ADJUSTED MINIMUM
3 WAGE RATE SHALL BE PUBLISHED BY FEBRUARY 1 OF THE YEAR IT IS
4 CALCULATED AND IS EFFECTIVE BEGINNING APRIL 1 OF THAT YEAR.

5 Sec. 7a. (1) The minimum hourly wage rate of an employee shall
6 be ~~\$2.65 per hour~~ **50% OF THE MINIMUM HOURLY WAGE RATE ESTABLISHED**
7 **IN SECTION 4** if all of the following occur:

8 (a) The employee receives gratuities in the course of his or
9 her employment.

10 (b) The gratuities described in subdivision (a) equal or
11 exceed ~~the difference between \$2.65 per hour and~~ **50% OF** the minimum
12 hourly wage established under section 4.

13 (c) The gratuities are proven gratuities as indicated by the
14 employee's declaration for federal insurance contribution act
15 purposes.

16 (d) The employee was informed by the employer of the
17 provisions of this section.

18 (2) As used in this section, "gratuities" means tips or
19 voluntary monetary contributions received by an employee from a
20 guest, patron, or customer for services rendered to that guest,
21 patron, or customer and that the employee reports to the employer
22 for purposes of the federal insurance contribution act, chapter 21
23 of subtitle C of the internal revenue code of 1986, 26 ~~U.S.C.~~ **USC**
24 3101 to 3128.