

SENATE BILL No. 1387

November 29, 2012, Introduced by Senators MEEKHOF, HILDENBRAND, MOOLENAAR and JANSEN and referred to the Committee on Reforms, Restructuring and Reinventing.

A bill to amend 1965 PA 166, entitled

"An act to require prevailing wages and fringe benefits on state projects; to establish the requirements and responsibilities of contracting agents and bidders; and to prescribe penalties,"

by amending the title and section 2 (MCL 408.552).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

TITLE

An act to require prevailing wages and fringe benefits on state projects; **TO PROHIBIT PREVAILING WAGE REQUIREMENTS UNDER CERTAIN CIRCUMSTANCES;** to establish the requirements and responsibilities of contracting agents and bidders; and to prescribe penalties.

Sec. 2. ~~Every~~ **EXCEPT AS PROVIDED IN THIS SECTION, EVERY** contract executed between a contracting agent and a successful bidder as contractor and entered into pursuant to advertisement and

1 invitation to bid for a state project ~~which~~**THAT** requires or
2 involves the employment of construction mechanics, other than those
3 subject to the jurisdiction of the state civil service commission,
4 and ~~which~~**THAT** is sponsored or financed in whole or in part by the
5 state shall contain an express term that the rates of wages and
6 fringe benefits to be paid to each class of mechanics by the bidder
7 and all of his subcontractors, shall be not less than the wage and
8 fringe benefit rates prevailing in the locality in which the work
9 is to be performed. Contracts on state projects ~~which~~**THAT** contain
10 provisions requiring the payment of prevailing wages as determined
11 by the United States secretary of labor pursuant to the federal
12 Davis-Bacon act, ~~(United States code, title 40, section 276a et~~
13 ~~seq)~~**REENACTED BY PUBLIC LAW 107-217, AND CERTIFIED AT 40 USC 3141**
14 **TO 3144, 3146, AND 3147,** or ~~which~~**THAT** contain minimum wage
15 schedules ~~which~~**THAT** are the same as prevailing wages in the
16 locality as determined by collective bargaining agreements or
17 understandings between bona fide organizations of construction
18 mechanics and their employers are exempt from the provisions of
19 this act.

20 (2) A CONTRACT OF AN EDUCATIONAL INSTITUTION IS EXEMPT FROM
21 THE PREVAILING WAGE REQUIREMENTS OF THIS ACT. EXCEPT AS OTHERWISE
22 REQUIRED TO COMPLY WITH STATE OR FEDERAL LAW OR AS A CONDITION OF
23 RECEIPT OF FEDERAL FUNDS, AN EDUCATIONAL INSTITUTION SHALL NOT
24 ADOPT A PREVAILING WAGE OR BENEFIT POLICY OR REQUIREMENT IN
25 RELATION TO A CONTRACT FOR A STATE PROJECT UNDER THE CONTROL OF THE
26 EDUCATIONAL INSTITUTION THAT REQUIRES COMPENSATION OF EMPLOYEES
27 UNDER THE CONTRACT AT PARTICULAR MINIMUM RATES OF PAY OR REQUIRES

1 PARTICULAR KINDS OR LEVELS OF FRINGE BENEFITS. THIS SUBSECTION DOES
2 NOT PROHIBIT AN EDUCATIONAL INSTITUTION FROM CONTRACTING WITH A
3 CONTRACTOR WHO VOLUNTARILY OR BY CONTRACT WITH ANOTHER PARTY PAYS A
4 PREVAILING WAGE OR PROVIDES PARTICULAR FRINGE BENEFITS. THIS
5 SUBSECTION DOES NOT APPLY TO A CONTRACT IN EFFECT ON THE EFFECTIVE
6 DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION.

7 (3) AS USED IN THIS SECTION, "EDUCATIONAL INSTITUTION"
8 INCLUDES ALL OF THE FOLLOWING:

9 (A) A SCHOOL DISTRICT, AN INTERMEDIATE SCHOOL DISTRICT, OR A
10 PUBLIC SCHOOL ACADEMY AS THOSE TERMS ARE DEFINED IN SECTION OF THE
11 REVISED SCHOOL CODE, 1976 PA 451, MCL 380.4 TO 380.6.

12 (B) A COMMUNITY COLLEGE ESTABLISHED UNDER THE COMMUNITY
13 COLLEGE ACT OF 1966, 1966 PA 331, MCL 389.1 TO 389.195, OR UNDER
14 PART 25 OF THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1601 TO
15 380.1607.

16 (C) A PUBLIC UNIVERSITY OF THIS STATE.