

SENATE BILL NO. 1233

November 29, 2022, Introduced by Senator SCHMIDT and referred to the Committee on Economic and Small Business Development.

A bill to amend 2014 PA 138, entitled "Workforce opportunity wage act," by amending sections 4 and 4d (MCL 408.414 and 408.414d); and to repeal acts and parts of acts.

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 is:
3 (a) Before September 1, 2014, \$7.40.
4 (b) Beginning September 1, 2014, \$8.15.
5 (c) Beginning January 1, 2016, \$8.50.

1 (d) Beginning January 1, 2017, \$8.90.

2 (e) Beginning January 1, 2018, \$9.25.

3 **(f) Beginning on the effective date of the amendatory act that**
 4 **added this subdivision, \$12.00.**

5 (2) Every January beginning in January ~~2019,~~**2024**, the state
 6 treasurer shall adjust the minimum wage by an amount determined by
 7 the state treasurer at the end of the preceding calendar year to
 8 reflect the average annual percentage change in the ~~consumer price~~
 9 ~~index~~**Consumer Price Index** for the most recent 5-year period for
 10 which data are available. As used in this subsection, "~~consumer~~
 11 ~~price index~~"**"Consumer Price Index"** means the most comprehensive
 12 index of consumer prices available for the ~~midwest~~**Midwest** region
 13 from the ~~bureau of labor statistics~~**Bureau of Labor Statistics** of
 14 the United States ~~department of labor.~~**Department of Labor**. The
 15 wage and hours division of the department of ~~licensing and~~
 16 ~~regulatory affairs~~**labor and economic opportunity** shall post the
 17 adjusted minimum wage on its website by February 1 of the year it
 18 is calculated, and the adjusted rate is effective beginning April 1
 19 of that year. An annual increase under this subsection shall not
 20 exceed 3.5%.

21 (3) An increase in the minimum hourly wage rate as prescribed
 22 in subsection (2) does not take effect if the unemployment rate
 23 determined by the ~~bureau of labor statistics,~~**Bureau of Labor**
 24 **Statistics of the** United States ~~department of labor,~~**Department of**
 25 **Labor** for this state is 8.5% or greater for the year preceding the
 26 year of the prescribed increase.

27 Sec. 4d. (1) Before September 1, 2014, the minimum hourly wage
 28 rate is \$2.65 per hour and, **except as otherwise provided in**
 29 **subsection (2)**, beginning September 1, 2014, the minimum hourly

1 wage rate is 38% of the minimum hourly wage rate established in
2 section 4 if all of the following occur:

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

5 (b) If the gratuities described in subdivision (a) plus the
6 minimum hourly wage rate under this subsection do not equal or
7 exceed the minimum hourly wage otherwise established under section
8 4, the employer pays any shortfall to the employee.

9 (c) The gratuities are proven gratuities as indicated by the
10 employee's declaration for purposes of the federal insurance
11 contributions act, 26 USC 3101 to 3128.

12 (d) The employee was informed by the employer of the
13 provisions of this section.

14 **(2) Beginning January 1, 2024, the minimum hourly wage rate is**
15 **40% of the minimum hourly wage rate established in section 4 if all**
16 **of the following occur:**

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

19 (b) If the gratuities described in subdivision (a) plus the
20 minimum hourly wage rate under this subsection do not equal or
21 exceed the minimum hourly wage otherwise established under section
22 4, the employer pays any shortfall to the employee.

23 (c) The gratuities are proven gratuities as indicated by the
24 employee's declaration for purposes of the federal insurance
25 contributions act, 26 USC 3101 to 3128.

26 (d) The employee was informed by the employer of the
27 provisions of this section.

28 **(3) ~~(2)~~—As used in this section, "gratuities" means tips or**
29 **voluntary monetary contributions received by an employee from a**

1 guest, patron, or customer for services rendered to that guest,
2 patron, or customer and that the employee reports to the employer
3 for purposes of the federal insurance contributions act, 26 USC
4 3101 to 3128.

5 Enacting section 1. The improved workforce opportunity wage
6 act, 2018 PA 337, MCL 408.931 to 408.945, is repealed.