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**Family Leave Optimal Coverage (Paid Family Leave)**

HB 4574 introduced by Rep. Helena Scott (D-7) and SB 332 by Senator Erika Geiss would require ALL employers to provide paid extended leave for employees – up to 15 weeks - for reasons of illness, domestic violence, military service, caregiving, etc.  The system would be set up similar to the Unemployment Insurance program with employers required to pay a certain amount per employee into the fund.  The cost per employee would be determined on a yearly basis based on how many employees are using the fund and how much the state is willing to contribute in the budgeting process.

Like the federal family medical leave act, employers would be required to allow a person to return to their position after 15 weeks with no penalties or retaliation.   Similar legislation has recently passed in Minnesota is estimated to be up to a $1.5 Billion dollar tax on employers. Small business owners would not only struggle to pay the tax, but the indirect cost and stress of finding temporary employees. **NFIB opposes this legislation.**

**Repeal of the Local Government Labor Regulatory Limitation Act (Local Preemption)**

The Michigan House and Senate Labor Committees took testimony in June on House Bill 4237 and Senate Bill 171 which would repeal the local government labor regulatory limitation act.  In 2015, in response to efforts by national groups to target local governments for minimum wage increases. These efforts have lead to job losses that hurt business owners, employees, and the loss of tax dollars to the city itself. In Minneapolis, a recent study shows that there was a 5% of jobs were lost with only a 1% of employees receiving an increase in pay (this study took in account both COVID and the racial demonstrations that happened during that time.) NFIB members do not believe that wage and hour issues like this should be the purview of local government and a patchwork of regulations across the state makes keeping and attracting new businesses more difficult. **NFIB opposes this legislation.**

**Elimination of Non-Renewable Fuels**

SB 271-276 and HB 4759 The Senate and House have proposed legislation that would make Michigan “Carbon Neutral” by 2035, by using all renewable energy. With energy costs already skyrocketing and a poor electric grid, these bills will hurt small business owners AND their employees. Also concerning is SB 274 which gives broad rule making authority that gives state departments authority to eliminate the use of gas appliances (furnaces, stoves) in new construction, both residential and commercial and promulgate any rules they see fit to combat climate change. NFIB believes that it is the purview of the legislature to craft and vote on policy and not that of administrative agencies where there is little accountability to the public. **NFIB opposes this legislation.**

**Increases to Unemployment Insurance (UI) Weekly Rate and Duration of Benefits**

Bill package not yet introduced. In response to a crippling $4 Billion debt in the UI Trust Fund in 2011, NFIB working with other business groups, legislators and then Governor Snyder passed sweeping reforms including tightening up rules on who could claim UI and job search requirements. Michigan also reduced its benefit weeks from the standard 26 weeks to 20 weeks. Unemployment insurance is funded one hundred percent by employers. Employers were subject to an ongoing assessment in addition to their regular UI claims in order pay for the debt incurred in the 2000s. Before COVID, the Trust Fund was between $4-$5 billion. In addition there were about $8 billion in claims in the 2010s – this means that between 2012 and 2020, employers paid approximately $16 billion in unemployment insurance costs. With the UI Trust Fund decimated by COVID and mismanagement by the UI Agency, any increase in benefits or their duration could have catastrophic consequences if there is a recession or any other event that depletes the UI Trust Fund. **NFIB opposes this legislation.**

**“Polluter Pays” Legislation**

Bills not yet introduced. Concerns: Small business owners could be cited and forced to pay for contamination that is decades old and may not have even been illegal at the time.

**NFIB opposes this legislation.**

**Rollback of 2012 Workers Compensation Reforms**

Bills not yet introduced. Legislation is being discussed that would roll back reforms to workers compensation made in 2012. These reforms helped to make sure that workers’ compensation was only being used by those who truly need it, and much like those on unemployment insurance, are truly looking for work. NFIB believes that the 2012 reforms struck a balance between being sure that those hurt on the job were provided for but limiting unwarranted costs. Small businesses are especially vulnerable to not only higher premiums, but the cost of fighting claims from unscrupulous trial attorneys. **NFIB opposes this legislation.**

**“Higher Costs for All” Insurance Act (aka “Bad Faith”)**

SB 329 and HB 4681 require all lines of insurance– home, auto, business policies, life, workers compensation, etc., exempting only health, to assume the claimant is in the right and pay claims immediately and even expenses from day one for certain kinds of claims. The bills also include the ability to sue insurance companies who violate the law and allow for physical, emotional, and punitive damages and dictates attorney’s fees.

While this legislation may sound consumer friendly, it only benefits trial attorneys and those committing fraud. Whenever similar legislation has passed other states, including FL, NJ, WA, and CA, the insurance market has been decimated and costs for insurance of all kinds have skyrocketed between 20% and 50% each year. A recent FL Insurance department released a report showing that in the last 10 years, over $51 billion was paid out in claims in Florida. 71% of that money went to trial attorneys and public adjustors. 8% went to the consumer. Trial lawyers have called this their “Right-to-Work” and have made it a priority to pass before the end of the year. **NFIB opposes this legislation.**

**Elimination of Independent Contractors (1099 Employees & Sole Proprietors)**

On April 13, 2023, NFIB testified in opposition to a 16-bill package (HB 4390-4406) in House Labor Committee that would change Michigan’s independent contractor (1099 employees) to the same standard used in California – which would essentially, eliminate independent contractors.  This package also included bills that would substantially increase fines and penalties for employers who make wage and hour errors, including the potential for felony charges and fund new employees in the Attorney General’s Office to go after business owners that are making errors – and punish them.

By eliminating independent contractors, the legislature would likely put a large majority of small business owners who are sole proprietors out of business. In addition, many small business owners engage independent contractors because the amount of work they need is not enough to employ someone full-time. We also have grave concerns with the large increases in penalties and fines in regard to wage and hour errors. The majority of mistakes made are not intentional or malicious. NFIB has long advocated for leniency and cooperation between regulatory enforcement agencies and small business owners, unless there is clear evidence of malicious intent. **NFIB opposes this legislation.**

**Repeal of the Fair and Open Competition in Governmental Construction Act (Project Labor Agreements)**

Both the House and Senate Labor Committees took testimony in June on House Bill 4231and Senate Bill 170 which would repeal the prohibition on local governments using project labor agreements. Before this law was passed in 2011, local governments could require any construction on local projects be union only. A non-union company could bid but would be required to pay the exact benefits and salary as if they were a part of the union, including paying into the union pension system. This bill will essentially eliminate small businesses from being able to compete for local projects. **NFIB opposes this legislation.**

**Water Management Districts**

House Bills 4382 and 4383, allow neighboring municipalities to create “water management districts” to manage watershed and drainage issues. These management districts would have the authority to levy assessments and exercise eminent domain. NFIB is concerned because even though these water management boards are made up of local elected officials, they also include officials elected in different jurisdictions and in some cases, unelected bureaucrats. There is little oversight and ability for small business owners to appeal the board’s decisions and have their voice heard during the process of raising their taxes or having their land seized unjustly. NFIB submitted written testimony in opposition. **NFIB opposes this legislation.**

**Big Business Handouts**

A variety of bills have been passed and continue to be introduced that would hand millions and even billions of dollars to different large corporations under the guise of economic development. Often times there is an agenda behind these handouts, like in the case of battery manufacturing. NFIB believes that the best way to encourage economic growth is to allow entrepreneurs to flourish by keeping taxes low, preventing government interference in HR issues, as well as stopping and even rolling back unnecessary and burdensome regulations. NFIB members are against using taxpayer dollars to give incentives to companies that, are often times, small business competitors. **NFIB opposes this legislation.**