

Bodman PLC

March 31, 2023

### Michigan Re-Institutes Prevailing Wage Law

By: Alexander J. Burrige, Associate, Workplace Law Group

Michigan has reinstated its prevailing wage law, which requires the payment of wages to employees working on state-funded projects at the “prevailing wage in the locality.” This requirement was previously in place from 1965 to 2018.

The “prevailing wage” is a level set by the state that is similar to the union-level wages and fringe benefits that all employers performing state funded projects in the locality are required to pay to employees. State funded projects include the construction, alteration, repair, installation, demolition, or improvement of public buildings, schools, works, bridges, highways, or roads. The prevailing wage requirement will apply to contracts entered into or bids made after the law goes into effect (90 days after the end of the current legislative session, which is expected to be mid to late March 2024). Contracts that require payment of prevailing wages established by the U.S. Secretary of Labor or which contain minimum wage schedules as set forth in local collective bargaining agreements or understandings between bona fide organizations of construction mechanics and their employers are exempt from the provisions of this act.

After the law is in effect, the Commissioner of the Michigan Department of Labor and Economic Opportunity will be responsible for establishing the prevailing wage rates for all classes of employees required to perform a state funded construction project prior to accepting bids from contractors. Contractors awarded a project will be required to post the prevailing wages at the construction site and maintain accurate records of the actual wages and benefits paid to employees. Contractors that fail to pay prevailing wages may have their contract terminated, be required to pay any excess costs incurred by the state for contracting with a new employer, and be fined up to \$5,000. Contractors and their subcontractors are jointly and severally liable for costs associated with a violation. Contractors are also prohibited from discharging or discriminating against a skilled or unskilled mechanic, laborer, worker, helper, assistant, or apprentice working on a state project who reports or was about to report a violation or suspected violation.

Please contact any member of **Bodman’s Workplace Law Group** if you have any additional questions about how the reenactment of the Prevailing Wage Law may affect your business. Bodman cannot respond to your questions or receive information from you without establishing an attorney-client relationship and clearing potential conflicts without other clients. Thank you for your patience and understanding.

<b>WORKPLACE LAW PRACTICE GROUP</b>	<b>AARON D. GRAVES   Chair</b> 313.392.1075 <a href="mailto:agraves@bodmanlaw.com">agraves@bodmanlaw.com</a>	<b>JOHN T. BELOW</b> 248-743-6035 <a href="mailto:jbelow@bodmanlaw.com">jbelow@bodmanlaw.com</a>	<b>ALEXANDER J. BURRIDGE</b> 313.393.7560 <a href="mailto:aburridge@bodmanlaw.com">aburridge@bodmanlaw.com</a>
	<b>JOHN C. CASHEN   Of Counsel</b> 248.743.6077 <a href="mailto:jcashen@bodmanlaw.com">jcashen@bodmanlaw.com</a>	<b>AMANADA MCSWEEN EMPEY</b> 313-392-1056 <a href="mailto:aempey@bodmanlaw.com">aempey@bodmanlaw.com</a>	<b>GARY S. FEALK</b> 248-743-6060 <a href="mailto:gfealk@bodmanlaw.com">gfealk@bodmanlaw.com</a>
	<b>JOHN DAVID GARDINER</b> 616.205.3123 <a href="mailto:jgardiner@bodmanlaw.com">jgardiner@bodmanlaw.com</a>	<b>MICHELLE L. KOLKMEYER</b> 248.743.6031 <a href="mailto:mkolkmeier@bodmanlaw.com">mkolkmeier@bodmanlaw.com</a>	<b>KAREN L. PIPER   Of Counsel</b> 248.743.6025 <a href="mailto:kpiper@bodmanlaw.com">kpiper@bodmanlaw.com</a>
	<b>REBECCA C. SEGUIN-SKRABUCHA</b> 248.925.1936 <a href="mailto:rseguin-skrabucha@bodmanlaw.com">rseguin-skrabucha@bodmanlaw.com</a>	<b>MELISSA M. TETREAU</b> 248.743.6078 <a href="mailto:mtetreau@bodmanlaw.com">mtetreau@bodmanlaw.com</a>	<b>DAVID B. WALTERS</b> 248.743.6052 <a href="mailto:dwalters@bodmanlaw.com">dwalters@bodmanlaw.com</a>