

# SENATE BILL NO. 571

October 10, 2023, Introduced by Senator CHERRY and referred to the Committee on Labor.

A bill to amend 2023 PA 10, entitled

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

by amending sections 1, 2, 8, and 22 (MCL 408.1101, 408.1102, 408.1108, and 408.1122) and by adding sections 2a and 25a.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

- 1**           Sec. 1. As used in this act:
- 2**           (a) "Commissioner" means the department of labor and economic

1 opportunity.

2 (b) "Construction mechanic" means a skilled or unskilled  
3 mechanic, laborer, worker, helper, assistant, or apprentice working  
4 on a state project but ~~shall~~ **does** not include executive,  
5 administrative, professional, office, or custodial employees.

6 (c) "Contracting agent" means ~~any officer, school board, board~~  
7 ~~or commission of the state, or a state institution supported in~~  
8 ~~whole or in part by state funds, authorized to enter into a~~  
9 ~~contract for a state project or to perform a state project by the~~  
10 ~~direct employment of labor.~~ **either of the following:**

11 (i) **A private contracting agent.**

12 (ii) **A public contracting agent.**

13 (d) "Locality" means the county, city, village, township, or  
14 school district in which the physical work on a state project is to  
15 be performed.

16 (e) "Private contracting agent" means an individual or a  
17 partnership, association, trust, corporation, or any other legal  
18 entity that enters into a contract for a solar or wind energy  
19 project or to perform a solar or wind energy project by the direct  
20 employment of labor.

21 (f) "Public contracting agent" means an officer, school board,  
22 board or commission of this state, or a state institution supported  
23 in whole or in part by funds from this state, authorized to enter  
24 into a contract for a state project or to perform a state project  
25 by the direct employment of labor.

26 (g) "Solar or wind energy project" means new construction,  
27 alteration, repair, completion, demolition, or improvement of a  
28 solar or wind energy electricity generation system that is  
29 connected to or provides electricity onto a utility's distribution

1 **system.**

2 (h) ~~(e)~~—"State project" means ~~new~~ **either of the following:**

3 (i) **New** construction, alteration, repair, installation,  
4 painting, decorating, completion, demolition, conditioning,  
5 reconditioning, or improvement of public buildings, schools, works,  
6 bridges, highways, or roads **that meets both of the following**  
7 **conditions:**

8 (A) **Is** authorized by a **public** contracting agent.

9 (B) **Is sponsored or financed in whole or in part by this**  
10 **state.**

11 (ii) **A solar or wind energy project.**

12 (i) **"State project registration" means a registration granted**  
13 **under section 2a.**

14 Sec. 2. (1) Every contract executed between a contracting  
15 agent and a successful bidder as contractor and entered into  
16 pursuant to advertisement and invitation to bid for a state project  
17 which requires or involves the employment of construction  
18 mechanics, other than those subject to the jurisdiction of the  
19 state civil service commission, ~~and which is sponsored or financed~~  
20 ~~in whole or in part by the state shall contain~~ **must include** an  
21 express term that the rates of wages and fringe benefits to be paid  
22 to each class of mechanics by the bidder and all of its  
23 subcontractors, ~~shall be~~ **must** not **be** less than the wage and fringe  
24 benefit rates prevailing in the locality in which the work is to be  
25 performed. Contracts on state projects which contain provisions  
26 requiring the payment of prevailing wages as determined by the  
27 United States Secretary of Labor pursuant to 40 USC 3141 to 3148 or  
28 which contain minimum wage schedules which are the same as  
29 prevailing wages in the locality as determined by collective

1 bargaining agreements or understandings between bona fide  
2 organizations of construction mechanics and their employers are  
3 exempt from the provisions of this act.

4 (2) A contractor or subcontractor shall pay to its  
5 construction mechanics wages and fringe benefits at the rates  
6 required under an applicable contract for a state project.

7 (3) A contractor shall not do any of the following:

8 (a) Submit a bid for a state project unless the contractor  
9 holds a state project registration.

10 (b) Perform work on a state project unless the contractor  
11 holds a state project registration.

12 (c) List a subcontractor on a bid proposal for a state project  
13 if the subcontractor does not hold a state project registration.

14 (d) Enter into an agreement with a subcontractor to perform  
15 work on a state project if the subcontractor does not hold a state  
16 project registration.

17 (4) A subcontractor shall not do either of the following  
18 unless the subcontractor holds a state project registration:

19 (a) Perform work on a state project.

20 (b) Enter into an agreement with a contractor to perform work  
21 on a state project.

22 (5) A contractor shall include in a bid for a state project a  
23 copy of the state project registration for the contractor and for  
24 each subcontractor of the contractor.

25 Sec. 2a. (1) To obtain a state project registration or renew a  
26 state project registration, a contractor or subcontractor must do  
27 both of the following:

28 (a) Submit an application that meets the requirements of  
29 subsection (2) to the commissioner on a form and in a manner as

1 prescribed by the commissioner.

2 (b) Pay the application fee described in subsection (3).

3 (2) An application for a state project registration must  
4 include all of the following:

5 (a) All of the following information for the contractor or  
6 subcontractor:

7 (i) Name.

8 (ii) Address of its principal place of business or, if this  
9 address is not in this state, the name and address of the custodian  
10 of records and agent for service of process in this state.

11 (iii) Telephone number.

12 (iv) Whether the contractor or subcontractor is a corporation,  
13 partnership, sole proprietorship, or, if a different type of legal  
14 entity, the type of legal entity.

15 (v) The name and address of each person with a financial  
16 interest in the contractor or subcontractor or, if the contractor  
17 or subcontractor is a publicly traded corporation, the name and  
18 address of each officer of the corporation.

19 (vi) Tax identification number.

20 (vii) Unemployment insurance identification number.

21 (b) A statement that the contractor or subcontractor is in  
22 compliance with all applicable laws.

23 (c) Documentation that shows, as determined by the  
24 commissioner, that the contractor or subcontractor is in compliance  
25 with all applicable laws, including, but not limited to, holding  
26 every license, registration, certificate, or other similar  
27 authorization required by law.

28 (d) Any other information or documentation as required by the  
29 commissioner.

1           (3) A state project registration is valid for 1 year. The  
2 commissioner shall establish an annual renewal date for all state  
3 project registrations. The commissioner shall establish a state  
4 project registration application fee in an amount that is  
5 sufficient to implement this act. The commissioner may allow an  
6 applicant for a state project registration to pay a prorated  
7 application fee based on the date that the applicant submits its  
8 application.

9           (4) Not later than 15 business days after the commissioner  
10 receives a complete application and application fee for a state  
11 project registration, the commissioner shall do 1 of the following:

12           (a) If the applicant meets the requirements for a state  
13 project registration, grant the state project registration to the  
14 applicant.

15           (b) If the applicant does not meet the requirements of a state  
16 project registration, deny the application and provide the  
17 applicant with a written statement that includes the reason for the  
18 denial.

19           (5) A contractor or subcontractor shall not submit an  
20 application for a state project registration if the contractor or  
21 subcontractor knows that the application contains a false  
22 statement.

23           (6) The commissioner may suspend or revoke a contractor's or  
24 subcontractor's state project registration if the commissioner  
25 determines that the contractor or subcontractor violated this act  
26 or another law.

27           Sec. 8. (1) ~~A~~In addition to any other sanction provided for  
28 in this act, a person that violates this act is subject to a civil  
29 fine of not more than \$5,000.00. The prosecutor of the county in

1 which the violation occurred or the attorney general may bring an  
2 action to collect the fine.

3 (2) A contractor and its subcontractor are jointly and  
4 severally liable for a violation of this act.

5 Sec. 22. ~~(1) Contracting agents, contractors, and~~  
6 ~~subcontractors~~ **A contracting agent, contractor, or subcontractor**  
7 shall maintain certified payroll records and other records required  
8 under this act for a minimum of 3 years. ~~Failure to maintain~~  
9 ~~records may result in application of the applicable civil penalties~~  
10 ~~provided for under this act.~~ **Subject to subsection (6), not later**  
11 **than 10 days after the end of a pay period, a contractor or**  
12 **subcontractor shall transmit the certified payroll records for the**  
13 **pay period to the following:**

14 (a) Before April 1, 2025, the applicable contracting agent.

15 (b) On or after April 1, 2025, the database described in  
16 subsection (2).

17 (2) By not later than April 1, 2025, the commissioner shall  
18 create and maintain a certified payroll database that meets all of  
19 the following conditions:

20 (a) Allows a contractor, subcontractor, or contracting agent  
21 to submit certified payroll records to the database via the  
22 internet.

23 (b) Allows the public to view, at no cost, the certified  
24 payroll records in the database via the internet and to search the  
25 database by the following categories:

26 (i) Contractor or subcontractor name.

27 (ii) State project name.

28 (iii) Locality in which work on the state project is performed.

29 (iv) Contracting agent name.

1 (c) Displays all of the following information for each  
2 construction mechanic:

3 (i) Classification.

4 (ii) Whether the construction mechanic is an apprentice,  
5 journeyman, or other skill level.

6 (iii) Gross wages paid in the pay period.

7 (iv) Number of hours worked each day.

8 (v) Starting and ending times of each day.

9 (vi) Hourly wage rate.

10 (vii) Hourly overtime wage rate.

11 (viii) Hourly fringe benefit rate.

12 (d) Does not display or otherwise include a construction  
13 mechanic's home address, telephone number, or Social Security  
14 number.

15 (e) Requires a contractor or subcontractor to attest at the  
16 time the contractor or subcontractor submits the certified payroll  
17 record, via electronic signature, that all of the following are  
18 true:

19 (i) The certified payroll record is complete and accurate.

20 (ii) The wage and fringe benefit rates paid to the construction  
21 mechanic are not less than the rates required under this act.

22 (iii) The person submitting the certified payroll record has  
23 reviewed the certified payroll record.

24 (iv) The person submitting the certified payroll record  
25 understands that a violation of this section may result in either  
26 of the following:

27 (A) The revocation or suspension of a state project  
28 registration.



1           (B) The denial of an application for a state project  
2 registration.

3           (3) A contracting agent that receives a certified payroll  
4 record under subsection (1)(a) shall, not later than 10 days after  
5 receiving the certified payroll record, transmit the certified  
6 payroll record to the commissioner on a form and in a manner as  
7 prescribed by the commissioner.

8           (4) By not later than the sixteenth day of each month, the  
9 commissioner shall update the certified payroll database with the  
10 certified payroll records from the immediately preceding month.

11           (5) A contractor or subcontractor shall not submit a certified  
12 payroll record as required under this section if the contractor or  
13 subcontractor knows that the certified payroll record contains a  
14 false statement.

15           (6) A contractor or subcontractor that performs work on a  
16 state project and that is otherwise required by law to transmit  
17 certified payroll records to the state transportation department is  
18 not required to transmit certified payroll records under subsection  
19 (1).

20           Sec. 25a. (1) The prevailing wage fund is created in the state  
21 treasury.

22           (2) The state treasurer shall deposit money and other assets  
23 received from fees or fines imposed under this act or from any  
24 other source in the fund. The state treasurer shall direct the  
25 investment of money in the fund and credit interest and earnings  
26 from the investments to the fund.

27           (3) Money in the fund at the close of the fiscal year does not  
28 lapse to the general fund.

29           (4) The commissioner is the administrator of the fund for

1 audits of the fund.

2 (5) The commissioner shall expend money from the fund on

3 appropriation only to implement this act.