ISSUE 1 MICHIGAN

A PUBLICATION OF ASSOCIATED BUILDERS AND CONTRACTORS OF MICHIGAN

RARA COUNT



ABC of Michigan LEGISLATIVE DAY 2025

2024 YEAR IN REVIEW



in in

SEPTEMBER 24-27, 2025 THE GRAND HOTEL • MACKINAC ISLAND, MI



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EXECUTIVE PERSPECTIVE



SHANE HERNANDEZ President ABC of Michigan

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ABC of Michigan Members,

The last six months have been defined by change.From welcoming our new Director of Legislative Affairs and Operations, Eric Chappell, to working with the rapidly changing dynamics of our state legislature and federal politics, it has been a whirlwind of a transition from 2024 to 2025.

It is hard to put 2024 into words, especially after the unprecedented ending to the legislative session. After beginning with the first democrat trifecta in over 40 years, the Legislature ended the term in disarray, thankfully leaving some of the most anti-business and anti-merit shop legislation on the table.

In this issue of Michigan Merit Magazine, you will find detailed information on our 2024 efforts to fight for merit shop priorities and flip the House of Representative back to merit shop friendly control. We also look ahead to 2025 and 2026 where you will find profiles on newly elected legislators and information on our upcoming premiere events for 2025, Legislative Day and the Michigan Construction Leadership Summit.

Our goal at ABC of Michigan is to continue to connect you to legislators in Lansing as well as important legislation that affects our industry. When ABC Members speak, Lansing listens, and we will only amplify your voice at the State Capitol in 2025.

At ABC of Michigan, we defend our industry and the values ABC holds so dearly by getting involved in policy and politics and this issue will outline those efforts from 2024 and into 2025.

It is truly an honor and privilege to represent ABC in Lansing.

For the Merit Shop,

Shane Hernandez



Associated Builders and Contractors of Michigan **LEGISLATIVE DAY 2025**



2025 MICHIGAN LEGISLATIVE DAY

April 30th, 2025 | 123 W. Allegan St., 6th Floor, Lansing, MI 48933

ABC OF MICHIGAN INVITES YOU TO OUR ANNUAL LEGISLATIVE DAY! This is your

chance to connect with policymakers, discuss key issues affecting our industry, and make your voice heard. Together, we can shape the future of Michigan's construction landscape.

WHY ATTEND?

- Meet and network with state legislators.
- Advocate for policies that matter to you.
- Gain insights into upcoming legislative changes.
- Be part of a united voice for the Merit Shop.

RSVP TODAY! Attendance is Free





Scan QR Code to registration

AGENDA:

- 8:00 AM 9:00 AM Networking Breakfast/Check-In
- 9:00 AM 9:15 AM ABC of Michigan Update
- 9:15 AM 9:40 AM Republican Senate Leader Nesbitt
- 9:45 AM 10:00 AM ABC 75th Anniversary Video
- 10:00 AM 10:45 AM Effective Engagement in the Legislative Process
- 11:00 AM 11:25 AM Speaker of the House Matt Hall
- 11:30 AM 12:30 PM Lunch with Legislators
- 12:45 PM 2:15 PM Optional: Breakout Session 1 Capitol Tour
- 12:45 PM 2:15 PM Optional: Breakout Session 2 Local Government Engagement Training

Associated Builders and Contractors of Michigan MICHIGAN CONSTRUCTION LEADERSHIP SUMMIT 2025



September 24-27, 2025 | THE GRAND HOTEL, MACKINAC ISLAND



Build. Lead. Inspire. Join us for the 2025 Construction Leadership Summit, where industry leaders and innovators come together to discuss the future of construction in Michigan. This is your opportunity to gain insights, share expertise, and connect with others driving progress in our field.

What to Expect:

- Inspiring keynote speeches from construction leaders.
- Engaging panel discussions on industry challenges and trends.
- Networking opportunities with peers and stakeholders.
- Strategies for leadership growth and business success.

Who Should Attend?

- Construction professionals across all levels.
- Emerging leaders looking to build their skills.
- Industry stakeholders and partners.

Keynote Speakers:

Jim Morris

FORMER MLB PITCHER, AUTHOR, CONSULTANT, EDUCATOR, COACH

Jim Morris was a high school science teacher and coach in west Texas who miraculously made it the Major Leagues at the age of 35. His life story made cinematic history with the heartwarming and unforgettable Disney movie, The Rookie, starring Dennis Quaid. Jim pitched two seasons for the Tampa Bay Devil Rays reaching speeds up to 102mph and chose to retire to raise his children. Since 2000, Jim has been a highly sought-after motivational speaker traveling the world inspiring audiences to follow their dreams and never give up.





Jimmy Yeary STORY TELLER, SONG WRITER, SPEAKER

From Nashville to Los Angeles, Jimmy Yeary is known for moving people with his words. As a speaker, Jimmy magnifies his natural-born storytelling talent and ability to connect with audiences to uplift them and guide them toward cohesion and unity within their organizations.













Associated Builders and Contractors of Michigan **CONTRIBUTING** to the **CAUSE**

AT ABC OF MICHIGAN, our ability to defend the merit shop philosophy and merit shop candidates begins with you. When our members step up and give through political contributions, we can relentlessly defend free enterprise and open competition in Michigan and across the country.

ABC of Michigan and ABC National have four ways to give and those funds are detailed below. Please consider making at contribution to defend the merit shop philosophy.



ABC National Political Action Committee

ABC National PAC requires preauthorization prior to giving. If you don't know your status of preauthorization, so you can reach out to ABC of Michigan at info@abcmi.com to check your status or request a preauthorization form.

- Personal checks only (LLCs are allowed with some special reporting)
- \$5,000 donation limit
- Donations are disclosed to the public
- Can be used to directly impact elections



ABC National Free Enterprise Alliance

- Corporate or personal checks
- There is no contribution limit
- Donations are not disclosed
- Cannot be used to directly impact elections, but can be used to educate on issues and where a candidate stands on issues

If you would like to make a contribution to the ABC PAC, please scan qr code.





ABC of Michigan Political Action Committee

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- There is no contribution limit
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- Can be used to directly impact elections
- If you would like to make a contribution to the ABC PAC, please scan qr code.





ABC of Michigan Corporate Action Account

- Corporate or personal checks
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- Donations are not disclosed
- Cannot be used to directly impact elections, but can be used to educate on issues and where a candidate stands on issues

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ASSOCIATED BUILDERS AND CONTRACTORS OF MICHIGAN

POLITICAL AFFAIRS



Michigan



* * * YEAR IN REVIEW



PROFILES



SHANE HERNANDEZ:

Shane Hernandez is the President of Associated Builders and Contractors of Michigan (ABC). He's responsible for the Public Policy and Government Affairs in Michigan for ABC Members.

Prior to this role with ABC, Shane spent time in both private business and a public office. He holds a master's degree in architecture from Lawrence Technological University and worked for SyDesign Architects for 12 years. Following his time at SyDesign, Shane served as the 83rd District Representative in the Michigan House of Representatives and was the House Appropriations Chair from 2019-2020. He also spent time as the Director of Strategy for Speaker Jason Wentworth, and Director of Caucus Services and Director of Policy for the House Republicans. In 2022, following a short time as a project manager for a small construction company, Shane became the Republican nominee for Lieutenant Governor and running mate of Tudor Dixon.

Shane was born and raised in Croswell, MI and now lives in Port Huron with his wife and two daughters.



ERIC CHAPPELL:

Eric joined the Associated Builders and Contractors of Michigan in August of 2024 as the Director of Legislative Affairs and Operations. He is responsible for analyzing and tracking legislation relevant to ABC members, working with legislators, and managing administrative operations.

Prior to ABC, Eric spent nearly seven years as a legislative staffer in various roles for the Michigan House of Representatives. Upon graduating from the James Madison College at Michigan State University, Eric was brought on to handle constituent relations for Representative Gary Howell of the 82nd District. Following this, he worked as the legislative director for Representative Jack O'Malley of the 101st district, and after the 2022 election, served in the same role for Representative Donni Steele of the 54th district. Most recently, Eric served as a policy advisor for the entire republican caucus, where he analyzed legislation and provided guidance for elected members and staff.

Eric was born and raised in Farmington Hills, MI and now lives in Grand Ledge with his wife, Laura.



CHRIS FISHER:

A former President and CEO of ABC of Michigan, Chris Fisher is now a partner at Midwest Strategy Group where he serves as ABC of Michigan's multi-client lobbyist in Lansing. His experience and deep-rooted knowledge of our issues helps us establish key relationships with like-minded groups and target the proper legislators on any given issue. Chris has a keen focus on policy details and a strong ability to navigate Michigan's legislative process. His success in Lansing has earned him the reputation as one of Lansing's most effective lobbyists by the MIRS News Survey and he has also been honored by Crain's Detroit Business as one of "50 Names to Know in Lobbying" among more than 1400 registered lobbyists in the state.

Chris is a graduate of Hillsdale College with dual degrees in history and political science.

2024 CAMPAIGN EFFORTS

ABC of Michigan's 2024 election efforts invested nearly \$400,000 into returning a merit shop majority to Michigan's state house. From direct contributions to candidates and House Republican and Senate Republican caucuses, to get out the vote mail and issues advocacy campaigns, ABC targeted 6 districts. The merit shop approved candidate won each of those six districts and the House is firmly in the control of a merit shop friendly majority for 2025 and 2026.

Sample of Mailer Ads:



Sample of digital ads (screenshots):





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NEW LEGISLATOR PROFILES/SPEAKER MATT HALL





RYLEE LINTING - HOUSE DISTRICT 27

ABC endorsed candidate, Rylee Linting, fought her way through what everyone thought was a 50-50 election, upsetting the first-term incumbent Rep. Jamie Churches. With Trump on the ballot in this blue-collar district, Linting beat Churches 27,784 to 25,466, a 4.4% margin of victory. Churches won this district by 1.6% in 2022. The 27th House District is located on the southeastern side of Wayne County and includes the township of Grosse Ile, the cities of Gibraltar, Riverview, Trenton and Wyandotte, and a portion of the city of Southgate. Prior to being elected as a state representative, Rylee was the Michigan Republican Party Youth Chair, where she worked with young adults to get them engaged and involved in both government and their futures. She also served as the Motor City Field Representative for Turning Point Action.



STEVE FRISBIE – HOUSE DISTRICT 44

Through a hard-fought campaign, ABC endorsed Steve Frisbie was able to knock off the sitting House Labor Committee chair, Representative Jim Haadsma. Haadsma, who was in his third term, ran the committee that moved some of the most controversial pieces of legislation for ABC members, including Right to Work and Prevailing Wage. He has been quoted on the record as saying "So you got to understand I'm a cog. I'm a good soldier. I do what I'm asked," Although Haadsma won by 4.4% in 2022, Frisbie was able to beat him in a tight race that triggered a recount. Once the votes had been retallied, Frisbie secured the victory by a margin of 79 votes. Prior to being elected, Rep. Frisbie spent 40 years as a paramedic/ambulance service administrator as well as serving as a volunteer firefighter for Pennfield Township and the Village of Colon. Frisbie was also a member of the Calhoun County Commission for 13 years prior to running for state office and was the chairman from 2019-2023. Steve and his wife Lorene live in Pennfield Township, they have four adult children.



KARL BOHNAK - HOUSE DISTRICT 109

Karl Bohnak, the Chief Meteorologist for WLUC-TV6 in Marquette, unseated the first term incumbent, Rep. Jenn Hill by 2.6 points. This marks the first time since 1955 that a republican will represent the Marquette area, a strong union district. Bohnak was not endorsed by ABC of Michigan, but we believe we will be able to find common ground with him and fight back against anti merit-shop legislation.

Aside from his position as Chief Meteorologist for nearly 40 years, Bohnak is also an award-winning author and historian with books like *"So Cold a Sky," "Michigan's Upper Peninsula Almanac"* (Co-written by Ron Jolly), and his most recent work *"Sunburns to Snowstorms, Upper Michigan Weather in Pictures and Stories"* is a collaboration with photo historian Jack Deo. The 109th House District includes the counties of Alger, Baraga, Marquette, and portions of Dickinson including the townships of Breen, Felch, Norway, Waucedah, and West Branch as well as the cities of Ishpeming, Marquette, Munising, Negaunee, and Norway. Bohnak and his wife, Liz, live in Deerton with their beloved cat Gracie. He has two sons and a twin sister who live in the Milwaukee area. He also has three grandchildren.



RON ROBINSON - HOUSE DISTRICT 58

Ron Robinson, a Marine Corps veteran and ABC Endorsed Candidate, knocked off Rep. Nate Shannon, a third term incumbent, to claim the 58th district. Robinson outworked Shannon in this race, knocking on tens of thousands of doors and winning the election the old fashion way, talking face to face with his future constituents. When everything was tallied up, Robinson beat Shannon by a whopping 6.2%, nearly 3,000 votes.

Aside from his military service, Robinson served as a Utica City Council member and is a small business owner, running businesses in video/photography production and real estate. The 58th House District encompasses the entire city of Utica and parts of Shelby Township, the City of Sterling Heights, and the City of Warren. Robinson is a husband and a father of three adult children.



Speaker MATT HALL - HOUSE DISTRICT 42

Incoming Speaker of The House, Matt Hall, has a strong, Conservative track record throughout his time in the legislature and is committed to promoting merit shop policies. Speaker Hall is serving his fourth term in the Michigan House. He previously chaired the Joint Select Committee on the COVID-19 Pandemic, which uncovered many governmental oversights throughout the pandemic. Hall has made it very clear that the republicans will expand their oversight efforts and ensure that there is proper accountability for the actions of all state departments. His success as Speaker is already evident and his leadership abilities are clear, as seen in his organized walkout of the Republican caucus during lame duck and the unanimous bipartisan vote to elect him as Speaker. ABC of Michigan is thrilled to have Matt Hall as Speaker of the House, and we look forward to his continued leadership and dedication to the people of Michigan.



ollowing the House winning majority in the November election, everyone knew that lame duck would be a wild time in Lansing. Lame duck sessions aren't always controversial, but they can be particularly important when one party controls the Governor's Office, the House of Representatives and the Senate, but knows that control will be lost in the new year. 2024 was the first Democrat controlled lame duck session in over 40 years.

While ABC of Michigan spent significant funds on the election, approximately \$70,000 was held in the Corporate Action Fund knowing significant dollars would be needed to protect free enterprise and open competition in lame duck. With the help of \$70,000 from the Western MI Chapter, over \$10,000 in member contributions, and a \$100,000 matching grant from the Construction Legal Rights Foundation (CLRF), we were able to put together a plan to spend approximately \$200,000 to defend the merit shop in the month of December. Below is a list of some of our advocacy efforts that helped prevent the passage of harmful legislation at the end of the year:

- **www.protectingmichiganjobs.org** An issues advocacy website was developed to give talking points on our issues and made it easier to email legislators on those issues.
- **Digital Media Ads** Nearly half of the funds spent in December were spent on ads targeting 2 Senate districts and 6 House districts making the ABC argument for our issues and directing people seeing those ads to our new website.
- **Texting** Thousands of text messages were sent in the same 8 target districts on a variety of issues. These texts were sent specifically when issues important to ABC were on the agenda.
- **Patch Through Calls** Live callers made phone calls in 8 target districts with the ability to patch the recipient of the call through to their legislator's office phone.
- **ABC National Action Alerts** Action alerts were sent to ABC members when votes were coming up, allowing our members to easily email their legislators.

On top of these direct advocacy efforts, ABC of Michigan formed strong coalitions with like-minded business groups such as the Chamber of Commerce, the Small Business Association of Michigan, the National Federation of Independent Businesses, the Michigan Manufacturing Association, and many more. By coordinating our efforts on issues of shared interest, we were able to help protect the overall business community while having greater support for key issues that directly impact ABC members. 🗮

Website with Legislator Contact form:



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Contact Your Representative

Tell your representative to support employers, fight for Michigan workers, and appose job-killing legislation!

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Fin-asking you to please protect our workers, our jube, and our livelihoods by opposing:

 HS4251 and S8275, which would repeal the Pair and Open Competition Act

Fethare	Letlane
Ersel Address	Rose
Address	ZęCieł
SEND	

Sample of Digital Media Ads:



CALL STATE REP. BETSY COFFIA AT (517) 373-3817 Tell her to vote NO on HB4231 and Oppose SB170



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As we look back on the impact that 2024 has had on ABC members, it's clear that we took some losses, however, we were able to prevent a lot of potential damage. Thanks to ABC's efforts and advocacy work, we were able to stop the repeal of the Fair and Open Competition in Governmental Construction Act, the repeal of Michigan's ban on local governments passing their own labor a laws, and many more bills. Of note, Michigan is the only state in the nation that has stopped Project Labor Agreements from being implemented after losing control of a state legislature.

Below is a review of the key bills that impacted ABC members in 2024:

BILLS WE STOPPED:

Fair and Open Competition Repeal/PLAs (SB 170 and HB 4231)

 Identical House and Senate bills were introduced to repeal the Fair and Open Competition Act, which would have authorized the use of Project Labor Agreements (PLAs) on state funded projects. While the Senate did pass SB 170 on a party line vote, it died in the House. HB 4231 passed out of House Committee, but never received a vote by the full body.

Local Preemption (SB 171 and HB 4237)

 Similar to Fair and Open Competition, identical House and Senate bills were introduced to repeal the local preemption on minimum wage, benefits, and other labors regulations. If this were to have passed, every one of Michigan's 1,800-plus local units of government would have had the authority to enact their own wage laws and benefit requirements for employees. This would have created a complex web of rules and regulations governing private employers', creating inconsistency, confusion, and a bureaucratic, red-tape nightmare for business owners and employees. Neither of those two bills made it out of their respective chamber.

Construction Local Preemption (SB II73 and HB 6218)

 SB 1173 and HB 4237 were introduced in the last month of the legislative session. These bills would have singled out the construction industry by allowing local units of government to establish their own prevailing wage requirements and project labor agreements on jobs that have public incentives. The wages set by locals could even exceed Davis Bacon or Michigan's own prevailing wage requirements. Additionally, this bill would have allowed local governments to impose requirements such as mandating all workers be enrolled in or have completed a United States Department of Labor apprenticeship program, eliminating many in the workforce from being able to work on taxpayer funder projects simply because of where they received training.

Independent Contractors (HB 4390)

HB 4390 was introduced early in the legislative session but was never reported out of committee. This harmful legislation would have drastically limited opportunities for independent contractors in Michigan by forcing workers into a traditional employee model, giving them less control over how/where/when they work, and how they carry out their duties.

Electrical Apprenticeship Ratios (SB 895)

 SB 895 would have severely reduced the number of apprentice opportunities in the electrical field. As it currently stands, Michigan has a maximum jobsite ratio of three apprentices for each journey person/ master electrician. SB 895 would have reduced that to a 1:1 ratio, essentially taking away 2/3 of apprenticeship opportunities. While SB 895 passed the Senate on a party line vote, it was never put up for a vote in the House.

Worker's Compensation Overhaul (SB 1079 and 1080)

 SB 1079 would have completely overhauled the workers compensation system in Michigan and ended the cost saving measures that were implemented in 2011. This legislation would have gutted the work search requirements, drastically altered the definition and degrees of disability, made changes retroactive to 1985, and expanded the types of claims that are compensable. This legislation was never reported out of committee and died in the Senate.

Wage Theft/Pay Transparency (HB 4402-4406)

- HB 4402-4404 would have drastically increased penalties for mistakes on employee payments, even those on complicated prevailing wage projects. The proposed penalties ranged all the way to a felony status, with up to 20 years in prison for serious violations. Under the legislation, the Department of Labor would be responsible for determining whether there was an "attempt to defraud" an employee, giving them significant power when reviewing cases.
- HB 4405 would have required employers to provide a 10-day notice if they plan to garnish an employee's wages to pay the employee's debts and HB 4406 would have required employers to provide an employee with wage information for similarly situated employees within 30 days of the employee's request. While the package of bills passed out of committee, they were never taken up for a vote on the House floor.

Salary Disclosure Mandate (HB 5619)

 Similar to HB 4406, HB 5619 would have required every employer in the state to create a log of salary information and other job requirements for each position in the company. Additionally, it would require the employer to disclose that information during the hiring or promotion process. This legislation was never voted on by the full House of Representatives.

Prompt Pay Requirements in Private Contracts (SB 45I and HB 4837)

 SB 451 and HB 4837 were introduced to prescribe requirements for the timelines and reliability of payment from an owner to a contractor or from a contractor to a subcontractor in private commercial construction projects. ABC was engaged in the process to find a compromise that our members could work with. Negotiations with stakeholders and the sponsor eventually fizzled out and the bill never made it out of committee.

Polluter Pay Legislation (SB 605-611)

 This package of bills would have completely ended brownfield redevelopment by creating new barriers to the cleanup of contaminated sites. It would have forced the owners of previously polluted sites to engage in cleanup to a residential standard, even for nonresidential sites. Although the package passed the Senate, it failed to receive a vote in the full House.

Tax credits for union dues (HB 4235)

 HB 4235 would have allowed for fully refundable tax credits on union dues. This legislation was never voted out of the House Tax Policy committee.

Restrict use of non-compete agreements (HB 4399)

 HB 4399 would have set a new standard for non-compete agreements. Under the language, non-compete agreements would be prohibited unless the employer provides each applicant for the position with written notice of the requirement for a noncompete agreement, disclose to the employee or applicant the written terms of the noncompete agreement, and post the new law or a summary of its requirements in a conspicuous place at the worksite where it is accessible to employees. Failure to do so would subject the employer to severe penalties and other costs. HB 4399 never made it out of the full House of Representatives.

Consumer Protection Expansion (SB 1022)

 SB 1022 would have created a litigation nightmare in Michigan. The proposed legislation would have subjected more than 80 industries to increased litigation and double regulation through an expansion of the Michigan Consumer Protection Act. These industries are already under state licensing and oversight that allows for fines or even business closures when individuals engage in unlawful practices. By layering these lawsuits on top of what remedies might already be available to consumers, this bill would have benefited trial lawyers more than actual customers. While the bill passed the Senate, it never appeared before the full House for a vote.

Paid Family Leave (SB 332-333; HB 4574-4575)

 Bills were introduced late in the legislative session that would mandate all employers to create a new 12-15-week paid family leave program. This legislation was being pushed while ongoing discussions were taking place on amending or potentially delaying the new Earned Sick Time Act (ESTA), set to take effect on February 21st. Having both of these reforms implemented together would be a nightmare for the business community. The Paid Family Leave bills, which have been estimated to cost \$16-\$17.2 billion dollars per year according to the Senate Fiscal Agency, never received a full vote in either legislative chamber.

Prevailing Wage on Broadband (HB 605I)

 HB 6051 was introduced late in the legislative session and would have required prevailing wage and fringe benefits be paid to workers on broadband infrastructure projects in Michigan. The proposed legislation would have applied to any "new construction, improvement, maintenance, expansion, alteration, or demolition of lines, cables, or other hardware of a broadband service that is performed by a broadband developer" and would have significantly raised costs for doing business. This legislation never passed the full House of Representatives.

Lead Paint (HB 4532, HB 5368-5370)

 A package of bills dealing with lead abatement passed the House of Representatives on a party line vote but did not receive a vote in the Senate. These bills would have lowered the threshold for blood levels in children and drastically tightened up renovation rules. The proposed package would have established new training and certification requirements on renovators and increased state oversight and penalties for violation, even allowing the state health department to issue fines going all the way back 5 years, as opposed to the current 180 days.

Tipping Fee (Budget Proposal)

 The initial budget proposed by Governor Whitmer called for raising \$80 million in new revenue by increasing the trash tipping fee, a tax paid by landfill owners, from 36 cents to \$5 a ton. This 1,288% increase would have been directly passed on to businesses and communities across the state, drastically driving up costs to do business. This proposal was removed from the budget during the final negotiations.

BILLS THAT PASSED (BAD):

Plumbing Ratio (SB 740)

- SB 740 established a maximum ratio of two apprentice plumbers for each journey/master plumber on the jobsite and creates penalties for violations. While ABC heavily advocated against this harmful legislation that limits skilled trades opportunities, the bill ultimately passed both chambers on a party line vote and was signed into law. Prior to this bill, no plumbing ratio existed in Michigan. The unions were unable to show any valid data that justified the need for this ratio. Despite them raising safety concerns, there was nothing presented that showed decreasing the number of apprentices resulted in less jobsite injuries. One union representative even testified in committee that his collective bargaining agreement calls for a 4:1 ratio, which he believes is sufficient.
- A plumbing contractor that violates the new law will be subject to a \$5,000 administrative fine for a first violation, a \$10,000 administrative fine for a second violation, and a minimum 90 days' suspension of their plumbing contractor's license for a third violation. After 90 days, the contractor could have their license reinstated if they pass a plumbing contractor examination.

Unemployment Expansion (SB 40)

 SB 40, which increases the number of eligible unemployment weeks from 20 to 26 was signed into the law. This bill, which was opposed by ABC and a vast coalition of business groups, also increases the maximum weekly benefit an individual could receive from \$362 to \$614, which is set to be phased in over the next three years. Despite the strong opposition to this bill, SB 40 passed both chambers and was signed into law.

Prevailing Wage on Solar/Wind Projects (SB 57I)

 After passing on a party line vote in both chambers, SB 571 was signed into law. This legislation, which was opposed by ABC of Michigan and many other key business groups, requires prevailing wage payments on state funded solar/wind energy projects that have a capacity of two or more megawatts. The bill would also require contractors to hold a state project registration from the Department of Labor and Economic Opportunity (LEO) when submitting a bid for performing work on a state project. Any subcontractors listed on a bid proposal would also have to be registered, and a contractor cannot enter into an agreement with an unregistered subcontractor for work on a state project.

Asbestos (SB 225-226, and HB 4185, 4186, 4188, and 4190)

 An asbestos abatement package, split between the House and Senate, was signed into law last year. These bills did several things, such as require companics bidding on public projects to disclose all environmental violations within the last five years, require local governments to perform background checks potentially baring contractors from working with them, require EGLE to prepare an annual report to the legislature on their asbestos program, establish fees for notifying EGLE of asbestos abatement and more.

BILLS THAT PASSED (GOOD):

Design Build for Schools (HB 4603)

 HB 4603, which passed with bi-partisan support and was signed into law, alters the law surrounding construction plans for schools. Previously, a school building or any additions could not be erected, remodeled, or reconstructed without having the plans approved by an independent architect or professional engineering school licensed in Michigan. The new law established by this bill removes those provisions and instead requires that any school construction must have the plans and specifications prepared by either an architect or professional engineer licensed in Michigan or by an architect/professional engineer who is licensed, working in conjunction with a design-builder. These design-build construction projects can allow for faster and more efficient projects while also providing greater cost flexibility for schools.

Research and Development (R&D) Tax Credit (HB 5100 and 5101)

Another positive piece of legislation that passed during this session were House Bills 5100 and 5101, which establish a tax credit for qualified R&D expenses. This bipartisan legislation received a number of reforms throughout the legislative process to make it more workable for businesses. While at first the legislation seemed to be administered like a grant rather than a tax credit, amendments were made to alter the structure and have it administered like a true automated income tax credit. Employers with less than 250 employees can claim a credit equal to 3% of their R&D expenses for the calendar year up to the employers "base amount" of R&D, and 15% of qualifying expenses which exceed the "base amount," with a maximum total credit of \$250,000. Employers with more than 250 employees can claim 3% of qualifying R&D expenses up to the base amount, but only 10% of qualifying expenses that exceed the base amount. The maximum credit for large businesses is \$2 million. The "base amount" is defined as the average annual qualifying R&D expenses for the three years preceding the tax year the credit is claimed.

CITIZEN-INITIATED LAWS

In addition to the bills mentioned above, there was an unsuccessful attempt from the legislature to "fix" two citizen-initiated laws, the Earned Sick Time Reform and Minimum Wage increase. Going back to 2018, these two proposals were approved to be placed on the statewide ballot, but prior to the election, they were adopted into law by the legislature and subsequently amended into a more workable version. This issue then found its way into the courts and after an appeal, the Michigan Supreme Court ruled on July 31, 2024, that this process, known as "adopt and amend" was unconstitutional if done in the same legislative session. Thus, since the 2018 legislature both adopted and amended these initiatives in the signal petition language is set to become law on Feb. 21, 2025. Unfortunately, these issues were not resolved despite an outcry from the business community late in the 2024 session. In this new session, however, we have already seen bills introduced in the House and the Senate with mixed responses from business groups. It is argued that the House version of these bills is far better than what the Senate has proposed, but there will certainly be negotiations on the specific changes. Despite potential amendments to these laws, our members need to be prepared for the implementation of the original ballot measure.



2025-2026 Outlook

2025 - 2026 Look Ahead:

The 2025 to 2026 legislative session will be a vast change from the 2023-2024 session. With divided government, we are sure to have less threats to free enterprise and some strategic opportunities to work across the aisle on common sense legislation that will benefit all trade schools and workers. It has yet to be seen if House Republicans and Senate Democrats will be able to work together, but we do know the House will serve as a safety net for ABC.

Political Landscape and Campaign Outlook:

We may have just ended the 2024 campaign season, but the 2026 campaign season is already in full swing. From gubernatorial candidates already announcing to a special election (possibly) in the Senate, candidates are already jockeying for position.

You may have thought the 2024 campaign was expensive, but ABC of Michigan engaged primarily in the House election in 2024. In 2026, we will be asked to be involved in the election of a new Governor, Secretary of State, Attorney General as well as the House and Senate. Our goal will be to raise nearly double what we raised last cycle and 2026 is our opportunity to regain the trifecta of controlling the House, Senate and Governor's office.

Policy Priorities:

At this time, we aren't quite sure how the House and Senate will work together, but there are sure to be some opportunities for negotiation on both the budget and legislation. We could certainly take the approach of working to get the House to take symbolic votes on major legislation like repealing prevailing wage, but with a Democrat controlled Senate and a Democrat Governor, we will be much better served to negotiate on issues that could get across the finish line.

ABC of Michigan has started to compile ideas of what could be done in 2025.

- · Equal funding between union and non-union trade schools
- Safeguard employer/employee data when submitting payroll in relation to new PW laws
- Oversight of how departments keep and share employer/employee data
- Work on an implementation plan for plumbing apprenticeship ratios
- · Develop exemptions for plumbing apprenticeship ratios
- Oversight of regulatory agencies (MIOSHA, EGLE, LARA, LEO)



The Earned Sick Time Act: SEVEN YEARS OF FIGHTING BAD POLICY

Written by Amanda Fisher, Michigan State Director for the National Federation of Independent Business (NFIB)

hile many employers in Michigan only recently became aware of the Earned Sick Time Act, there are a handful of business lobbyists that have been fighting this for almost 7 years. I am one of those lobbyists.

The fight began in early 2018 when citizen-initiated legislation petitions were being circulated by Mothering Justice and One Fair Wage that would mandate paid sick time, increase the minimum wage and eliminate the tipped wage for restaurant workers. When enough signatures had been gathered, NFIB and others worked tirelessly to fight



signatures to prevent approval from the Board of Canvassers (BoC), but we were unsuccessful.

Polling data showed that the general public would vote for these proposals, as they have by a wide margin in all other states where this has been on the ballot. The outside groups funding the effort would spend millions of dollars in dark money, and even if that could be matched, it was unlikely to be defeated. This is why opponents of the proposal chose a strategy to have the legislature adopt the proposal and amend it at a later time.

In September of 2018, at the urging of NFIB and the business community, the Michigan legislature adopted the

Minimum Wage and Earned Sick Time citizen initiative referendums, thereby removing them from the November statewide ballot and almost certain passage.

This action preserved the ability of the legislature to amend these proposals by a simple majority vote and approval of the governor. Had they gone on the ballot and passed, they could only later be amended with three-quarters majorities. NFIB then worked with the legislature to amend the language in both the paid sick leave and minimum wage proposals during December 2018.

Those changes still increased the minimum wage, but at a slower rate, preserved the tipped wage for restaurant servers, and simplified the Earned Sick Time Act by exempting any employer under 50 employees, part-time workers, and seasonal workers. It also lowered the amount of sick time required to 40 hours.

In 2021, Mothering Justice (ESTA) and One Fair Wage filed a lawsuit against the State of Michigan with the Court of Claims. The case concerned whether the Michigan Legislature had the authority to adopt and then amend citizen-initiated legislation in the same session. In 2022, the Court of Claims ruled that the move was unconstitutional. In January 2023, the Michigan Appeals Court overturned the Court of Claims and ruled 3-0 that the action WAS constitutional.

Unfortunately, on July 31, 2024, after a six-year court battle, the Michigan Supreme Court, in a political decision, ruled that "adopt and amend" legislative procedures in 2018 were unconstitutional. They ordered that the original 2018 Earned Sick Time and Minimum Wage petitions adopted by the legislature in 2018 to go into effect on Feb. 21, 2025.

At this point, the business community endeavored to work with the Democrat majorities in the House and Senate who ultimately were unwilling to move and changes. Their core constituencies were adamant that nothing should be changed from the original language including the unions, trial lawyers, and progressive groups. Despite this pressure, there were some legislators who knew the problems that this poorly worded law would cause both employers and employees. When Republicans took control of the gavel, Speaker Matt Hall took action immediately, and because of his leadership and negotiating skills, substantial changes were made to the original language that include:

- Employers with 10 or less employees are required to provide 40 hours of earned sick time per year (eliminating the 32 unpaid hours)
- Employers with 10 or less employees have until October 1, 2025, to comply
- Clarify notification requirements with more accountability for employees using earned sick time by allowing employers to provide written policies
- Allows employers to frontload time instead of tracking accrual
- Allows for a base wage for variable wage employees that does not include commission, overtime, bonus etc.
- Exempts youth workers
- Exempts unpaid interns
- Eliminates the presumption of guilt if a complaint is made to the department
- Eliminates the ability for employees to directly sue employers for alleged violations

While these changes were a move in the right direction, there are still changes to be made to give employers clarity and small businesses relief. After seven years, NFIB isn't done fighting to make ESTA better and will continue fighting for a full small business exemption. In the meantime, employers can find more NFIB resources on ESTA at NFIB.com/MI.



AMANDA FISHER is the NFIB Michigan State Director. The National Federation of Independent Business (NFIB) advocates on behalf of small and independent businesses in all fifty state capitals and Washington, DC.



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