

Legislative Analysis



EXPAND PREVAILING WAGE LAW TO INCLUDE BROADBAND PROJECTS

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House Bill 6051 as reported from committee
Sponsor: Rep. Penelope Tsernoglou
Committee: Labor
Complete to 12-13-24

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 6051 would amend 2023 PA 10,¹ an act that requires a policy commonly known as “prevailing wage” for state construction projects receiving public funding and certain renewable energy facility construction projects, to extend prevailing wage requirements to *broadband service projects*.

Broadband service project would mean new construction, improvement, maintenance, expansion, alteration, or demolition of lines, cables, or other hardware of a broadband service that is performed by a person that provides, improves, or expands *broadband service* in Michigan. The term would not include a broadband service project that receives funding through the federal Broadband Equity, Access, and Deployment (BEAD) program on or before the date the bill takes effect, except for maintenance and upkeep projects.

Broadband service would mean any service (including voice, video, and data) that provides capacity for transmission in excess of 200 kilobits per second in not less than one direction, regardless of the technology or medium used. A service’s capacity for voice transmission could be less than 200 kilobits per second if offered in conjunction with other services that use transmission in excess of 200 kilobits per second.

Michigan’s prevailing wage law generally requires every contract for a state construction project (*state project*) to include a term stating that the rates of wages and fringe benefits to be paid to each class of employed *construction mechanics* must equal or exceed the wage and benefit rates that are standard in the locality where the work is to be performed. Contractors and subcontractors must annually register with the state in order to be eligible for prevailing wage projects and must submit certain wage and benefit information to a payroll database.

Construction mechanic means a mechanic, laborer, worker, helper, assistant, or apprentice working on state projects. It does not include executive, administrative, professional, office, or custodial employees.

¹ For a summary of the act, see: <https://www.legislature.mi.gov/documents/2023-2024/billanalysis/House/pdf/2023-HLA-4007-214A994D.pdf>. 2023 PA 10 was amended in July 2024 to include energy facility projects, which are generally defined under the act as construction projects for energy storage facilities, solar energy facilities, or wind energy facilities with a nameplate capacity of at least two megawatts: <https://www.legislature.mi.gov/documents/2023-2024/billanalysis/House/pdf/2023-HLA-0571-3C8205BB.pdf>.

Currently, the act generally defines *state project* as construction and improvement projects for public buildings, schools, and other infrastructure sponsored or financed in whole or in part by the state, and energy facility projects. The act applies to public contracting agents for state-funded construction projects and to both public contracting agents and *private contracting agents* for renewable energy construction projects.

Under HB 6051, the term *state project* would also include a broadband service project. The bill would additionally amend the definition of *private contracting agent* to include an individual or entity that enters into a contract for a broadband service project or to perform a broadband service project by the direct employment of labor.

MCL 408.1101

FISCAL IMPACT:

House Bill 6051 would have an indeterminate fiscal impact on the state. To the extent that the bill could subject broadband service projects to prevailing wage that would not otherwise have been subjected, the bill would have the potential to increase costs by an indeterminate amount.

POSITIONS:

The following entities indicated support for the bill (12-12-24):

- Communication Workers of America
- IBEW Michigan State Conference
- Michigan Laborers District Council

The following entities indicated opposition to the bill (12-12-24):

- Associated Builders and Contractors of Michigan
- AT&T Michigan
- Broadband Association of Michigan
- Comcast
- Detroit Regional Chamber
- Grant Rapids Chamber
- Home Builders Association of Michigan
- Michigan Cable Telecommunications Association
- Michigan Chamber of Commerce
- Michigan Manufacturers Association
- National Federation of Independent Business
- Peninsula Fiber Network
- Small Business Association of Michigan

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.