

September 9, 2024

On behalf of the Northern Michigan Chamber Alliance, we are writing to express our concerns about the pending earned sick time and minimum wage requirements. These laws as currently written will have significant negative implications for small businesses in our rural region. While we support fair labor practices, the current legal framework poses serious risks to the economic stability of Northern Michigan's small businesses and hospitality industry, while also endangering Michigan's goals for growing our workforce and working age population.

We respectfully urge you to consider the following points as you work toward legislative solutions:

1. **Address The Actual Need:** Most employers already provide paid time off (PTO) and should not be penalized or forced to reduce their employee benefits to comply with this legislation, which would be onerous on the employer and detrimental to the employees. A simple solution that addresses the actual issue would be a mandate that employers provide their employees with a minimum number of hours of paid time off to be used as they wish. Provide a minimum threshold that employers can exceed.
2. **Amend Sick Time for Clarity and Balance:** Current sick leave provisions are ambiguous and unworkable, creating compliance challenges for employers. The current legislation also assumes ill-intent by the employer but never the employee. Clearer and more balanced guidelines are needed to ensure effective implementation.
3. **Preserve the Tip Credit:** Essential for the sustainability of the service industry, the tip credit should be maintained to prevent increased labor costs that could lead to job losses or closures. Recent surveys show that 83% of servers do not want this change.
4. **Exempt Small Businesses:** Small businesses with fewer than 50 employees, operating with limited resources, would be disproportionately impacted by new paid sick leave requirements. Exempting businesses with 50 or less FTE is in keeping with federal small business thresholds under both the Family and Medical Leave Act (FMLA) and the Affordable Care Act (ACA).
5. **Exempt Seasonal Employees:** Given their unique operational model, businesses using seasonal employees should be exempt from paid sick leave mandates
6. **Take Action Before Year End:** Northern Michigan businesses need resolution and clarity on these issues as soon as possible and we call on legislators to enact these amendments before the end of calendar year 2024.

Northern Michigan's businesses are the backbone of our communities. The imposition of stringent requirements without consideration of the points above could have severe economic consequences. We urge you to work toward balanced solutions that protect both employees and employers.

Thank you for your attention to this critical issue. We stand ready to collaborate on solutions that support the economic vitality of our region.

Sincerely,



**Nikki Devitt, Chairperson**  
Northern Michigan Chamber Alliance  
Petoskey Regional Chamber of Commerce



**Caitlyn Stark, Vice Chair**  
Northern Michigan Chamber Alliance  
Cadillac Area Chamber of Commerce