Governor Granholm Turns Her Back on Small Business With Veto of House Bill 4160, Says Michigan Chamber of Commerce

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With the veto last week of House Bill 4160 limiting the application of so-called "living wage" ordinances, the Michigan Chamber of Commerce said it was as if David Bonior, with his AFL-CIO endorsement, had been elected governor after all.

"Governor Granholm's veto of House Bill 4160 raises questions about whether she's somehow a 'New Democrat' that can be independent on issues from organized labor," noted Robert LaBrant, Senior Vice President and General Counsel for the Michigan Chamber of Commerce. "The governor followed her usual pattern to wait to announce her veto of this legislation until late on a Friday afternoon allowing the news to be buried over the weekend."

"HB 4160 was an attempt to seek middle ground on the living wage issue," explained LaBrant. "The substitute bill was a moderate proposal that would not affect the 15 local minimum wage ordinances already enacted in Michigan. Cities, townships and counties under HB 4160 would have been free to enact living wage ordinances that applied only to companies with contracts with that local government. However, HB 4160 was an attempt to prevent in the future radical city councils (like those in San Francisco, CA, Santa Fe, NM and Madison, WI) from imposing as high as a $15 an hour minimum wage on all employers within that city."

"Governor Granholm is saying one thing and doing another," observed LaBrant. "One week she seeks tax credits to keep companies like Electrolux and Johnson Controls from leaving the state, yet her veto of HB 4160 last week could lead to the loss of thousands of small business jobs."

"Granholm lays out a vision of 'cool cities,' but her veto of HB 4160 opens the door to future irresponsible city councils enacting $15 an hour city-wide living wage ordinances affecting all employers within that city," said LaBrant. "Granholm's idea of a 'cool city' is evolving into a high-cost, pro-union community with excessive regulation that burdens taxpayers and small business. We think 'cool cities' must first be efficient, have low crime, good schools along with well maintained neighborhoods."

"Granholm's veto could lead to small business jobs moving from central cities to surrounding townships. Granholm may talk a good game about curtailing urban sprawl, but her veto of HB 4160 may accelerate the loss of jobs from some central core cities," noted LaBrant.

"Governor Granholm says her veto of HB 4160 is an issue of local control. Does Granholm really think the State of Michigan will be well served by as many as 1,859 different minimum wage laws? (Michigan has 534 cities and villages, 1,242 townships and 83 counties). This emphasis on local control gives license to every local government to decide for themselves whether they will opt out of a statewide standard to adopt a higher or more expansive standard of their own," said LaBrant.

"Governor Granholm and Labor and Economic Growth Department Director David Hollister need to re-examine their enthusiasm for local control and what that means for sound economic development policy across Michigan," concluded LaBrant.

The Michigan Chamber of Commerce is a statewide business organization which represents more than 6,300 employers, trade associations and local chambers of commerce. The Michigan Chamber was established in 1959 to be an advocate for Michigan's job providers in the legislative, political and legal process.

SOURCE: Michigan Chamber of Commerce

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