

2025 MICHIGAN MAIN STREET AGENDA

NFIB's number one issue for the 2025 session was to make common sense changes to the Earned Sick Time Act and preserve the tipped wage for restaurant servers. Allowing these laws to go into effect as written would have been devastating to small businesses due to the restrictive language and threat of litigation. Thanks to a bipartisan effort led by the House majority, changes were made that will help both small business owners and their employees implement and navigate the new law. While not perfect, these bills were far better than the original.

NFIB's focus moving forward will be to not only stop but reverse some of the damaging legislation from the past two years including changes to make energy more affordable, reigning in out-of-control spending, and eliminating regulatory burdens on small businesses.

Add a Small Business Exemption in the Earned Sick Time Act (ESTA)

Small business is grateful for the changes made to ESTA to make it more flexible for employers and employees and the elimination of the presumption of guilt and right to sue. However, despite the best efforts of the House majority, one thing remains – a pure exemption for small businesses. NFIB will continue to advocate for a small business exemption during this legislature and moving forward.

Stop Additional Regulatory Burdens on Small Business

In addition to labor and environmental mandates, legislation continues to be introduced adding additional regulatory burdens to small businesses including a number of bills that would have harmful effects on landlords and housing, notification requirements/posters for non-employer related items, and increased licensing requirements. Due to lack of staff, small business owners often serve in multiple roles including HR and compliance. Because of this, the regulatory impact on a small business can be 10%-20% more than larger businesses. NFIB will continue to fight against additional and unnecessary regulations that hurt small businesses.

Streamline Permitting and Licensing and Halt Attempts to Use Get Around the Legislature

The web of permitting and licensure in Michigan is detrimental to entrepreneurship in Michigan. Beyond that, the Administration and departments have consistently used agency rules instead of going through the legislature to pass certain policies. For instance, the Administration has tried to use rules governing the licensing requirements for a business to require labor union membership for their employees. Making laws via rules, through agencies run by unelected bureaucrats protected by civil service and unaccountable to voters, is a formula for disaster, no matter which party is in power.

Fight For Small Business in the Road Funding Debate

While small business owners recognize the importance of good roads, there is well deserved skepticism from small business toward proposals that raise new revenue when current tax dollars do not seem to be stewarded well. NFIB members also oppose any new or increases in taxes or fees for infrastructure. They also oppose any funding to promote electric vehicles or their infrastructure.

Reign in Spending and Avert Potential Tax Increases & Use Ongoing Budget Surpluses for Broad-Based Tax Cuts to Help Small Business

The massive increase in spending (over 30% compared to 2019) over the past two years must stop and fiscal restraint imposed in order to prevent future tax increases. With continued budget surpluses, legislators need to remember that tax dollars are paid by its citizens and should be treated with prudence and money returned to taxpayers. NFIB is committed to working with policy makers to pass meaningful broad based tax cuts for small business without creating new taxes or fees and without picking winners and losers.

Pursue Policies That Reduce Sky-Rocketing Energy Costs

Support the building of Line 5, repeal the damaging and costly energy policy passed in 2023 and oppose any unreasonable environmental policies that will lead to increased costs and additional regulatory burdens, including banning of gas appliances.

Roll Back Increases to Unemployment Insurance (UI) Weekly Rate and Duration of Benefits

In 2024, the legislature increased the unemployment insurance weekly benefits from \$364 to \$614 over three years and indexes it to on thereafter. It also increases the duration from 20 to 26 weeks. NFIB believes the increase in benefits goes too far too fast and should be changed in order to prevent tax increases for small employers and protect the integrity of the 100% employer funded UI Trust Fund.

Halt The Micro-Management of the Employer-Employee Relationship

Attempts to micro-manage how an employer compensates, schedules, manages, and hires their employees has never been more prevalent at all levels of government. These kinds of regulations and requirements are especially burdensome to small businesses that do not have the staff or money to dedicate to compliance and recordkeeping, let alone the payroll costs of the requirements. NFIB will continue to defend the rights of small business owners and their employees to have the flexibility to determine what works best for them. NFIB opposed policies include 14 week paid family medical leave, predictive scheduling, and mandated job descriptions.

Oppose Elimination of Independent Contractors (1099 Employees & Sole Proprietors)

Senate Bill 6 would hold Michigan's independent contractors (1099 employees) to the same standard used in California – which would essentially eliminate independent contractors. By eliminating independent contractors, the legislature would likely put a large majority of small business owners who are sole proprietors out of business. In addition, many small business owners engage independent contractors because the amount of work they need is not enough to employ someone full-time.

Prevent Unfair Fines and Penalties for Wage and Hour Errors

Bills have been introduced that would substantially increase fines and penalties for employers who make wage and hour errors, including the potential for felony charges. Most mistakes made by small businesses are not intentional or malicious. NFIB has long advocated for leniency and cooperation between regulatory enforcement agencies and small business owners, unless there is clear evidence of malicious intent.

Oppose Rollback of Workers Compensation Reforms

NFIB opposes legislation introduced last session that would have eliminated the 2011 reforms, changed and watered down the definition of disability and allowed claims going back to the 1990s. NFIB believes that the 2011 reforms struck a balance between being sure that those hurt on the job were provided for but limiting unwarranted costs. Small businesses are especially vulnerable to not only higher premiums, but the cost of fighting claims from unscrupulous trial attorneys.