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To: The Honorable Members of the House Labor Committee  
Date: June 8, 2023  
From: Amanda Fisher, NFIB Michigan State Director  
Re: Opposition to House Bill 4034 – Temporary Labor Service Agency Restrictions

On behalf of over 10,000 small business owners in Michigan, NFIB is writing to express its opposition to House Bills 4034, which would add additional regulations and restrictions to temporary labor service agencies (TLSA) in Michigan.

TLSAs serve an important role for both employers and employees. For small employers, they can help take the regulatory burden of paperwork, payroll, onboarding, etc. out of the hands of the employer, who may lack the time or resources as they focus on running their business. They can also provide short term staff during busier times or to fill in for employees who may be ill or on maternity leave. This service can be crucial for smaller firms who cannot afford to permanently hire additional workers and do not want to overburden their current employees.

Unfortunately, HB 4034 would add an untenable regulatory burden to TLSAs. The paperwork required, information collected, along with licensing fees with the potential to be 4 times what they are currently, would cause some TLSAs to close. For those remaining the increased fees needed to follow the law would make using a temporary staffing agency cost prohibitive for most small businesses, hurting their ability to operate and grow.

Many employees who work with these agencies could be hurt by HB 4034 by losing opportunities to earn money, gain experience, potentially find full-time employment, and flexibility in regard to hours and days worked.

Additionally, the prohibition on hiring employees to replace striking workers in the bill is problematic for two reasons. One, it conflicts with the National Labor Relations Board and case law which specifically allows for temporary workers to be used during a strike. Second, without the ability for TLSAs to provide this service, it would be nearly impossible for businesses, and other important entities like hospitals, to hire temporary workers to continue functioning and providing essential services.

For these reasons, we ask you to vote no on House Bill 4034.

Thank you for your support of small business.