



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4310 (as reported without amendment)

Sponsor: Representative Cindy Denby

House Committee: Local, Intergovernmental, and Regional Affairs

Senate Committee: Reforms, Restructuring and Reinventing

CONTENT

The bill would amend the Metropolitan Transportation Authorities Act to eliminate provisions that require an authority to be bound by existing labor agreements with public or private entities that are acquired by the authority; require members and beneficiaries of pension or retirement systems or other benefits to have the same rights and benefits, following an acquisition; require the authority board to assume the obligation of an acquired transportation system regarding wages, hours, working conditions, sick leave, health, and pension or retirement provisions for employees; and provide that an employee of the acquired system who is transferred to the authority may not be placed in a worse position with respect to workers' compensation, pension, seniority, wages, leave, or benefits because of the transfer.

MCL 124.413

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have no effect on local unit revenue but could have an indeterminate impact on local units. Cooperative and collaborative efforts are traditionally pursued to lower the total cost of an activity or activities, although such efforts can result in changes in the relative distribution of costs across the entities involved. Generally, the bill would be expected to reduce local unit expenditures by an unknown amount that would depend on the local units involved, the nature the activities involved, and the new terms of any labor agreements. While the bill would allow labor agreements made after a cooperative or collaborative effort to contain different terms than those required under current law, it is unclear the extent to which employees could be affected under their current agreements. For example, it is unclear whether local units could exercise provisions allowing the termination or early modification of such agreements in order to create new agreements based on what the bills would allow.

The bill would have no direct fiscal impact on State government. On a secondary level, to the extent that the bill lowered local unit expenses, the Legislature could consider that factor when appropriating revenue sharing payments. Similarly, to the extent that the bill resulted in lower wages and/or benefits, it could affect sales tax and income tax receipts.

Date Completed: 7-5-11

Fiscal Analyst: David Zin