



Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383  
Fax: (517) 373-1986

House Bill 5576 (Substitute H-2 as passed by the House) *(enacted version)*  
Sponsor: Representative John Olumba  
House Committee: Detroit's Recovery and Michigan's Future  
Senate Committee: Government Operations

Date Completed: 6-2-14

### **CONTENT**

**The bill would amend Public Act 312 of 1969, which provides for compulsory arbitration of labor disputes in municipal police and fire departments, to require an arbitration panel to consider information related to a local government's financial position submitted by the Financial Review Commission (which House Bill 5566 would create to oversee Detroit).**

Public Act 312 establishes procedures for the resolution of disputes between municipal police or fire departments and their employees. If a dispute is not resolved by mediation, either party may initiate binding arbitration proceedings, and the Michigan Employment Relations Commission must select a panel of arbitrators. If the parties have no collective bargaining agreement or they have an agreement and have begun negotiations or discussions regarding a new agreement or an amendment of the existing agreement, and wage rates or other conditions of employment are in dispute, the arbitration panel must base its findings, opinions, and order upon factors listed in the Act.

The factors that must be considered include the financial ability of the unit of government to pay. A determination of that factor must include the financial impact on the community of any award made by the panel, the interests and welfare of the public, all liabilities, and any law of the State or any directive issued under the Local Financial Stability and Choice Act that limits a unit of government's expenditures or revenue collection.

Under the bill, if applicable, the factors considered by an arbitration panel also would include a written document with supplementary information relating to the financial position of the local unit of government that was filed with the panel by the Financial Review Commission as authorized under the Michigan Financial Review Commission Act.

(House Bill 5566 would create that Act to establish a Financial Review Commission for a city with a population of more than 600,000 that is subject to a plan for adjustment of its debts approved and entered by a U.S. bankruptcy court under Chapter 9 of Title 11 of the United States Code. Detroit will meet those criteria when a plan for adjustment has been approved. The Act would require the Commission to provide oversight of the city and would authorize it to perform a number of activities. Among other things, the Commission could file supplemental information relating to the city's financial condition with an arbitration panel in proceedings to which the city was a party under Public Act 312.)

MCL 423.239

Legislative Analyst: Suzanne Lowe

## **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Elizabeth Pratt  
Josh Sefton

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.