

SENATE BILL No. 692

November 30, 2017, Introduced by Senators PAVLOV, STAMAS and MARLEAU and referred to the Committee on Michigan Competitiveness.

A bill to amend 1973 PA 139, entitled

"An act to provide forms of county government; to provide for county managers and county executives and to prescribe their powers and duties; to abolish certain departments, boards, commissions, and authorities; to provide for transfer of certain powers and functions; to prescribe powers of a board of county commissioners and elected officials; to provide organization of administrative functions; to transfer property; to retain ordinances and laws not inconsistent with this act; to provide methods for abolition of a unified form of county government; and to prescribe penalties and provide remedies,"

by amending sections 4a, 17, and 22 (MCL 45.554a, 45.567, and 45.572), section 4a as added by 2012 PA 507, and by adding section 22a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4a. (1) Beginning September 30, 2014, each county road
2 agency shall annually certify to the department that it satisfies 1
3 of the following conditions with respect to transportation

1 employees:

2 (a) The county road agency has developed and publicized a
3 transportation employee compensation plan that the county road
4 agency intends to implement with any new, modified, or extended
5 contract or employment agreements for transportation employees not
6 covered under contract or employment agreement. The transportation
7 employee compensation plan that each county road agency plans to
8 achieve ~~shall~~**MUST** be posted on a publicly accessible internet site
9 and ~~shall~~**MUST** be submitted to the department. ~~At~~**SUBJECT TO**
10 **SECTION 22A, AT** a minimum, the transportation employee compensation
11 plan ~~shall~~**MUST** include all of the following:

12 (i) New transportation employee hires who are eligible for
13 retirement plans are placed on retirement plans that cap annual
14 employer contributions at 10% of base salary for transportation
15 employees who are eligible for social security benefits. For
16 transportation employees who are not eligible for social security
17 benefits, the annual employer contribution is capped at 16.2% of
18 base salary.

19 (ii) For defined benefit pension plans, a maximum multiplier
20 of 1.5% for all transportation employees who are eligible for
21 social security benefits, except, if postemployment health care is
22 not provided, the maximum multiplier ~~shall be~~**IS** 2.25%. For all
23 transportation employees who are not eligible for social security
24 benefits, a maximum multiplier of 2.25%, except, if postemployment
25 health care is not provided, the maximum multiplier ~~shall be~~**IS**
26 3.0%. This subparagraph does not apply to years of service accrued
27 ~~prior to~~**BEFORE** September 30, 2013, or to contracts entered into

1 ~~prior to~~ **BEFORE** September 30, 2013.

2 (iii) For defined benefit pension plans, final average
3 compensation for all transportation employees is calculated using a
4 minimum of 3 years of compensation and ~~shall~~ **MUST** not include more
5 than a total of 240 hours of paid leave. Overtime hours ~~shall~~ **MUST**
6 not be used in computing the final average compensation for a
7 transportation employee. This subparagraph does not apply to years
8 of service accrued ~~prior to~~ **BEFORE** September 30, 2013, or to
9 contracts entered into ~~prior to~~ **BEFORE** September 30, 2013.

10 (iv) Health care premium costs for new transportation employee
11 hires ~~shall~~ **MUST** include a minimum transportation employee share of
12 20%; or, an employer's share of the local health care plan costs
13 ~~shall~~ **MUST** be cost competitive with the new state preferred
14 provider organization health plan, on a per-transportation-employee
15 basis.

16 (b) The county road agency complies with 1 of the following:

17 (i) A county road agency that offers medical benefits to its
18 transportation employees or elected public officials shall certify
19 to the department by September 30, 2014 that it is in compliance
20 with the publicly funded health insurance contribution act, 2011 PA
21 152, MCL 15.561 to 15.569. For purposes of this subparagraph,
22 dental and vision coverages are not considered medical benefits.
23 The department shall develop a certification process and method for
24 county road agencies to follow.

25 (ii) A county road agency that does not offer medical benefits
26 to its transportation employees or elected public officials shall
27 certify to the department by September 30, 2014 that it does not

1 offer medical benefits to its transportation employees or elected
2 public officials. For purposes of this subparagraph, dental and
3 vision coverages are not considered medical benefits. The
4 department shall develop a certification process and method for
5 county road agencies to follow.

6 (2) If a county road agency does not make the certification
7 required under subsection (1), the department may withhold all or a
8 part of the distributions to the county road agency from the
9 Michigan transportation fund under 1951 PA 51, MCL 247.651 to
10 247.675. A withholding under this subsection ~~shall~~**MUST** continue
11 for the period of noncompliance with subsection (1) by the county
12 road agency.

13 (3) A county road agency shall maintain a searchable website
14 accessible by the public at no cost that includes, but is not
15 limited to, all of the following:

16 (a) Current fiscal year budget.

17 (b) The number of active transportation employees of the
18 county road agency by job classification and wage rate.

19 (c) A financial performance dashboard that contains
20 information on revenues, expenditures, and unfunded liabilities.
21 The county road agency may link to financial information provided
22 by the Michigan transportation asset management council.

23 (d) The names and contact information for the governing body
24 of the county road agency.

25 (e) A copy of the certification required by subsection (1).

26 (4) A county road agency may develop and operate its own
27 website to provide the information required under subsection (3),

1 or the county road agency may reference this state's central
 2 transparency website as the source for the information required
 3 under subsection (3). If a county road agency does not have a
 4 website, the county road agency may post the information required
 5 under subsection (3) on the website for the county within which the
 6 county road agency is located or on the website of a statewide road
 7 association of which the county road agency is a member.

8 (5) As used in this section:

9 (a) "County road agency" means a county road commission in a
 10 county that adopts an optional unified form of county government
 11 under this act. In addition, if a board of county road
 12 commissioners of a county is dissolved as provided in section 6 of
 13 chapter IV of 1909 PA 283, MCL 224.6, county road commission
 14 includes the county board of commissioners of that county.

15 (b) "Department" means the state transportation department.

16 (c) "Transportation employee" means an employee paid in whole
 17 or in part through revenues distributed under sections 12 to 13 of
 18 1951 PA 51, MCL 247.662 to 247.663, or an employee who is engaged
 19 primarily in work funded through revenues distributed under
 20 sections 12 to 13 of 1951 PA 51, MCL 247.662 to 247.663.

21 Sec. 17. ~~The~~ **SUBJECT TO THE PROTECTING LOCAL GOVERNMENT**
 22 **RETIREMENT AND BENEFITS ACT, THE** board of county commissioners
 23 shall continue, without diminution of function or authority, any
 24 board previously established to administer employee retirement and
 25 pension programs or may create a retirement board if none exists. A
 26 retirement board may invest or reinvest the ~~moneys thereof~~. **MONEY OF**
 27 **THE EMPLOYEE RETIREMENT AND PENSION PROGRAMS.**

1 Sec. 22. ~~Under~~ **SUBJECT TO THE PROTECTING LOCAL GOVERNMENT**
2 **RETIREMENT AND BENEFITS ACT, UNDER** an optional unified form of
3 county government all retirement and pension rights of employees
4 provided by existing law remain in full force and effect.

5 **SEC. 22A. FOR A COUNTY THAT HAS ADOPTED AN OPTIONAL UNIFIED**
6 **FORM OF COUNTY GOVERNMENT AND THAT PROVIDES A RETIREMENT SYSTEM FOR**
7 **THE COUNTY'S EMPLOYEES, THE RETIREMENT SYSTEM IS SUBJECT TO THE**
8 **PROTECTING LOCAL GOVERNMENT RETIREMENT AND BENEFITS ACT. AS USED IN**
9 **THIS SECTION, "RETIREMENT SYSTEM" MEANS THAT TERM AS DEFINED IN**
10 **SECTION 3 OF THE PROTECTING LOCAL GOVERNMENT RETIREMENT AND**
11 **BENEFITS ACT.**

12 Enacting section 1. This amendatory act does not take effect
13 unless Senate Bill No. 686

14 of the 99th Legislature is enacted into law.