

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 882

A bill to amend 1951 PA 51, entitled

"An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to promote safe and efficient travel for motor vehicle drivers, bicyclists, pedestrians, and other legal users of roads, streets, and highways; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to

authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts,"

by amending section 18j (MCL 247.668j), as added by 2012 PA 506.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 18j. (1) Beginning September 30, ~~2014,~~**2015**, each local  
2 road agency shall annually certify to the department that it  
3 satisfies 1 of the following conditions with respect to  
4 ~~transportation~~ employees:

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

15           (i) New ~~transportation~~ employee hires who are eligible for

## Senate Bill No. 882 (H-3) as amended September 24, 2014

1 retirement plans are placed on retirement plans that cap annual  
2 employer contributions at 10% of base salary for ~~transportation~~  
3 employees who are eligible for social security benefits. For  
4 ~~transportation~~ employees who are not eligible for social security  
5 benefits, the annual employer contribution is capped at 16.2% of  
6 base salary.

7 (ii) For defined benefit pension plans, a maximum multiplier of  
8 1.5% for all ~~transportation~~ employees who are eligible for social  
9 security benefits, except, if postemployment health care is not  
10 provided, the maximum multiplier shall be 2.25%. For all  
11 ~~transportation~~ employees who are not eligible for social security  
12 benefits, a maximum multiplier of 2.25%, except, if postemployment  
13 health care is not provided, the maximum multiplier shall be 3.0%.  
14 This subparagraph does not apply to years of service accrued prior  
15 to September 30, 2013, or to contracts entered into prior to  
16 September 30, 2013.

17 (iii) For defined benefit pension plans, final average  
18 compensation for all ~~transportation~~ employees is calculated using a  
19 minimum of 3 years of compensation and shall not include more than  
20 a total of 240 hours of paid leave. Overtime hours shall not be  
21 used in computing the final average compensation for a  
22 ~~transportation~~ ~~AN~~ employee. This subparagraph does not apply to  
23 years of service accrued prior to September 30, 2013, or to  
24 contracts entered into prior to September 30, 2013.

25 (iv) Health care premium costs for new [~~transportation~~] employee  
26 hires shall include a minimum ~~transportation~~ employee share of 20%;  
27 or, an employer's share of the local health care plan costs shall

Senate Bill No. 882 (H-3) as amended September 24, 2014  
as amended October 1, 2014

1 be cost competitive with the new state preferred provider  
2 organization health plan, on a ~~per transportation employee~~ **PER-**  
3 **EMPLOYEE** basis.

4 (b) The local road agency complies with 1 of the following:

5 (i) A local road agency that offers medical benefits to its  
6 ~~[transportation]~~ employees or elected public officials shall certify  
7 to the department by September 30, ~~2014~~ **2015** that it is in  
8 compliance with the publicly funded health insurance contribution  
9 act, 2011 PA 152, MCL 15.561 to 15.569. For purposes of this  
10 subparagraph, dental and vision coverages are not considered  
11 medical benefits. The department shall develop a certification  
12 process and method for local road agencies to follow. **[A LOCAL ROAD  
AGENCY SHALL INDICATE IN A CERTIFICATION UNDER THIS SUBPARAGRAPH WHETHER  
IT HAS EXEMPTED ITSELF FROM THE PUBLICLY FUNDED HEALTH INSURANCE  
CONTRIBUTION ACT, 2011 PA 152, MCL 15.561 TO 15.569, AS PROVIDED IN  
SECTION 8 OF THE PUBLICLY FUNDED HEALTH INSURANCE CONTRIBUTION ACT, 2011  
PA 152, MCL 15.568.]**

13 (ii) A local road agency that does not offer medical benefits  
14 to its ~~transportation~~ employees or elected public officials shall  
15 certify to the department by September 30, ~~2014~~ **2015** that it does  
16 not offer medical benefits to its ~~transportation~~ employees or  
17 elected public officials. For purposes of this subparagraph, dental  
18 and vision coverages are not considered medical benefits. The  
19 department shall develop a certification process and method for  
20 local road agencies to follow.

21 (2) If a local road agency does not make the certification  
22 required under subsection (1), the department may withhold all or  
23 part of the distributions to the local road agency from the  
24 Michigan transportation fund under this act. A withholding under  
25 this subsection shall continue for the period of noncompliance with  
26 subsection (1) by the local road agency.

27 (3) A ~~local~~ **COUNTY** road agency ~~COMMISSION~~ shall maintain a  
S05254'14 (H-3)

1 searchable website accessible by the public at no cost that  
2 includes, but is not limited to, all of the following:

3 (a) Current fiscal year budget.

4 (b) The number of active ~~transportation~~ employees of the ~~local~~  
5 **COUNTY** road ~~agency~~ **COMMISSION** by job classification and wage rate.

6 (c) A financial performance dashboard that contains  
7 information on revenues, expenditures, and unfunded liabilities.

8 The county road ~~agency~~ **COMMISSION** may link to financial information  
9 provided by the Michigan transportation asset management council.

10 (d) The names and contact information for the governing body  
11 of the ~~local~~ **COUNTY** road ~~agency~~ **COMMISSION**.

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

13 (4) The department shall maintain a searchable website  
14 accessible by the public at no cost. A website maintained by the  
15 department under this subsection shall include, but is not limited  
16 to, the following:

17 (a) Current fiscal year budget.

18 (b) The number of active ~~transportation~~ employees of the  
19 department by job classification and wage rate.

20 (c) A financial performance dashboard that contains  
21 information on revenues, expenditures, and unfunded liabilities.

22 The department may link to financial information provided by the  
23 Michigan transportation asset management council.

24 (d) The names and contact information for the governing body  
25 of the department.

26 (5) A ~~local~~ **COUNTY** road ~~agency~~ **COMMISSION** may develop and  
27 operate its own website to provide the information required under

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

10 ~~—— (6) As used in this section, "transportation employee" means~~  
11 ~~an employee paid in whole or in part through revenues distributed~~  
12 ~~under sections 12 to 13 or an employee who is engaged primarily in~~  
13 ~~work funded through revenues distributed under sections 12 to 13.~~