

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5302

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,"

(MCL 247.651 to 247.675) by adding section 18j.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **SEC. 18J. (1) BEGINNING SEPTEMBER 30, 2014, EACH LOCAL ROAD**
 2 **AGENCY SHALL ANNUALLY CERTIFY TO THE DEPARTMENT THAT IT SATISFIES 1**
 3 **OF THE FOLLOWING CONDITIONS WITH RESPECT TO TRANSPORTATION**
 4 **EMPLOYEES:**

5 **(A) THE LOCAL ROAD AGENCY HAS DEVELOPED AND PUBLICIZED A**
 6 **TRANSPORTATION 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:**

1 (i) NEW TRANSPORTATION EMPLOYEE HIRES WHO ARE ELIGIBLE FOR
2 RETIREMENT PLANS ARE PLACED ON RETIREMENT PLANS THAT CAP ANNUAL
3 EMPLOYER CONTRIBUTIONS AT 10% OF BASE SALARY FOR TRANSPORTATION
4 EMPLOYEES WHO ARE ELIGIBLE FOR SOCIAL SECURITY BENEFITS. FOR
5 TRANSPORTATION EMPLOYEES WHO NOT ELIGIBLE FOR SOCIAL SECURITY
6 BENEFITS, THE ANNUAL EMPLOYER CONTRIBUTION IS CAPPED AT 16.2% OF
7 BASE SALARY.

8 (ii) FOR DEFINED BENEFIT PENSION PLANS, A MAXIMUM MULTIPLIER OF
9 1.5% FOR ALL TRANSPORTATION EMPLOYEES WHO ARE ELIGIBLE FOR SOCIAL
10 SECURITY BENEFITS, EXCEPT, IF POSTEMPLOYMENT HEALTH CARE IS NOT
11 PROVIDED, THE MAXIMUM MULTIPLIER SHALL BE 2.25%. FOR ALL
12 TRANSPORTATION EMPLOYEES WHO ARE NOT ELIGIBLE FOR SOCIAL SECURITY
13 BENEFITS, A MAXIMUM MULTIPLIER OF 2.25%, EXCEPT, IF POSTEMPLOYMENT
14 HEALTH CARE IS NOT PROVIDED, THE MAXIMUM MULTIPLIER SHALL BE 3.0%.
15 THIS SUBPARAGRAPH DOES NOT APPLY TO YEARS OF SERVICE ACCRUED PRIOR
16 TO SEPTEMBER 30, 2013, OR TO CONTRACTS ENTERED INTO PRIOR TO
17 SEPTEMBER 30, 2013.

18 (iii) FOR DEFINED BENEFIT PENSION PLANS, FINAL AVERAGE
19 COMPENSATION FOR ALL TRANSPORTATION EMPLOYEES IS CALCULATED USING A
20 MINIMUM OF 3 YEARS OF COMPENSATION AND SHALL NOT INCLUDE MORE THAN
21 A TOTAL OF 240 HOURS OF PAID LEAVE. OVERTIME HOURS SHALL NOT BE
22 USED IN COMPUTING THE FINAL AVERAGE COMPENSATION FOR A
23 TRANSPORTATION EMPLOYEE. THIS SUBPARAGRAPH DOES NOT APPLY TO YEARS
24 OF SERVICE ACCRUED PRIOR TO SEPTEMBER 30, 2013, OR TO CONTRACTS
25 ENTERED INTO PRIOR TO SEPTEMBER 30, 2013.

26 (iv) HEALTH CARE PREMIUM COSTS FOR NEW TRANSPORTATION EMPLOYEE
27 HIRES SHALL INCLUDE A MINIMUM TRANSPORTATION EMPLOYEE SHARE OF 20%;

1 OR, AN EMPLOYER'S SHARE OF THE LOCAL HEALTH CARE PLAN COSTS SHALL
2 BE COST COMPETITIVE WITH THE NEW STATE PREFERRED PROVIDER
3 ORGANIZATION HEALTH PLAN, ON A PER-TRANSPORTATION-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 THAT IT IS IN COMPLIANCE
8 WITH THE PUBLICLY FUNDED HEALTH INSURANCE CONTRIBUTION ACT, 2011 PA
9 152, MCL 15.561 TO 15.569. FOR PURPOSES OF THIS SUBPARAGRAPH,
10 DENTAL AND VISION COVERAGES ARE NOT CONSIDERED MEDICAL BENEFITS.
11 THE DEPARTMENT SHALL DEVELOP A CERTIFICATION PROCESS AND METHOD FOR
12 LOCAL ROAD AGENCIES TO FOLLOW.

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 THAT IT DOES NOT
16 OFFER MEDICAL BENEFITS TO ITS TRANSPORTATION EMPLOYEES OR ELECTED
17 PUBLIC OFFICIALS. FOR PURPOSES OF THIS SUBPARAGRAPH, DENTAL AND
18 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 ROAD AGENCY SHALL MAINTAIN A SEARCHABLE WEBSITE

1 ACCESSIBLE BY THE PUBLIC AT NO COST THAT INCLUDES, BUT IS NOT
2 LIMITED TO, ALL OF THE FOLLOWING:

3 (A) CURRENT FISCAL YEAR BUDGET.

4 (B) THE NUMBER OF ACTIVE TRANSPORTATION EMPLOYEES OF THE LOCAL
5 ROAD AGENCY 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 MAY LINK TO FINANCIAL INFORMATION PROVIDED
9 BY THE MICHIGAN TRANSPORTATION ASSET MANAGEMENT COUNCIL.

10 (D) THE NAMES AND CONTACT INFORMATION FOR THE GOVERNING BODY
11 OF THE LOCAL ROAD AGENCY.

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 ROAD AGENCY MAY DEVELOP AND OPERATE ITS OWN
27 WEBSITE TO PROVIDE THE INFORMATION REQUIRED UNDER SUBSECTION (3),

1 OR THE LOCAL ROAD AGENCY MAY REFERENCE THIS STATE'S CENTRAL
2 TRANSPARENCY WEBSITE AS THE SOURCE FOR THE INFORMATION REQUIRED
3 UNDER SUBSECTION (3). IF A LOCAL ROAD AGENCY DOES NOT HAVE A
4 WEBSITE, THE LOCAL ROAD AGENCY MAY POST THE INFORMATION REQUIRED
5 UNDER SUBSECTION (3) ON THE WEBSITE FOR THE COUNTY, CITY, OR
6 VILLAGE WITHIN WHICH THE LOCAL ROAD AGENCY IS LOCATED OR ON THE
7 WEBSITE OF A STATEWIDE ROAD ASSOCIATION OF WHICH THE LOCAL ROAD
8 AGENCY IS A MEMBER.

9 (6) AS USED IN THIS SECTION, "TRANSPORTATION EMPLOYEE" MEANS
10 AN EMPLOYEE PAID IN WHOLE OR IN PART THROUGH REVENUES DISTRIBUTED
11 UNDER SECTIONS 12 TO 13 OR AN EMPLOYEE WHO IS ENGAGED PRIMARILY IN
12 WORK FUNDED THROUGH REVENUES DISTRIBUTED UNDER SECTIONS 12 TO 13.