

**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 **MUST 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**
 16 **RETIREMENT PLANS ARE PLACED ON RETIREMENT PLANS THAT CAP ANNUAL**

1 EMPLOYER CONTRIBUTIONS AT 10% OF BASE SALARY FOR TRANSPORTATION
2 EMPLOYEES WHO ARE ELIGIBLE FOR SOCIAL SECURITY BENEFITS. FOR
3 TRANSPORTATION EMPLOYEES WHO NOT ELIGIBLE FOR SOCIAL SECURITY
4 BENEFITS, THE ANNUAL EMPLOYER CONTRIBUTION IS CAPPED AT 16.2% OF
5 BASE SALARY.

6 (ii) FOR DEFINED BENEFIT PENSION PLANS, A MAXIMUM MULTIPLIER OF
7 1.5% FOR ALL TRANSPORTATION EMPLOYEES WHO ARE ELIGIBLE FOR SOCIAL
8 SECURITY BENEFITS, EXCEPT, WHERE POSTEMPLOYMENT HEALTH CARE IS NOT
9 PROVIDED, THE MAXIMUM MULTIPLIER SHALL BE 2.25%. FOR ALL
10 TRANSPORTATION EMPLOYEES WHO ARE NOT ELIGIBLE FOR SOCIAL SECURITY
11 BENEFITS, A MAXIMUM MULTIPLIER OF 2.25%, EXCEPT, WHERE
12 POSTEMPLOYMENT HEALTH CARE IS NOT PROVIDED, THE MAXIMUM MULTIPLIER
13 SHALL BE 3.0%.

14 (iii) FOR DEFINED BENEFIT PENSION PLANS, FINAL AVERAGE
15 COMPENSATION FOR ALL TRANSPORTATION EMPLOYEES IS CALCULATED USING A
16 MINIMUM OF 3 YEARS OF COMPENSATION AND SHALL NOT INCLUDE MORE THAN
17 A TOTAL OF 240 HOURS OF PAID LEAVE. OVERTIME HOURS SHALL NOT BE
18 USED IN COMPUTING THE FINAL AVERAGE COMPENSATION FOR A
19 TRANSPORTATION EMPLOYEE.

20 (iv) HEALTH CARE PREMIUM COSTS FOR NEW TRANSPORTATION EMPLOYEE
21 HIRES SHALL INCLUDE A MINIMUM TRANSPORTATION EMPLOYEE SHARE OF 20%;
22 OR, AN EMPLOYER'S SHARE OF THE LOCAL HEALTH CARE PLAN COSTS SHALL
23 BE COST COMPETITIVE WITH THE NEW STATE PREFERRED PROVIDER
24 ORGANIZATION HEALTH PLAN, ON A PER-TRANSPORTATION-EMPLOYEE BASIS.

25 (B) COMPLY WITH 1 OF THE FOLLOWING:

26 (i) A LOCAL ROAD AGENCY THAT OFFERS MEDICAL BENEFITS TO ITS
27 TRANSPORTATION EMPLOYEES OR ELECTED PUBLIC OFFICIALS SHALL CERTIFY

1 TO THE DEPARTMENT BY SEPTEMBER 30, 2014 THAT IT IS IN COMPLIANCE
2 WITH THE PUBLICLY FUNDED HEALTH INSURANCE CONTRIBUTION ACT, 2011 PA
3 152, MCL 15.561 TO 15.569. DENTAL AND VISION COVERAGES ARE NOT
4 CONSIDERED MEDICAL BENEFITS. THE DEPARTMENT SHALL DEVELOP A
5 CERTIFICATION PROCESS AND METHOD FOR LOCAL ROAD AGENCIES TO FOLLOW.

6 (ii) A LOCAL ROAD AGENCY THAT DOES NOT OFFER MEDICAL BENEFITS
7 TO ITS TRANSPORTATION EMPLOYEES OR ELECTED PUBLIC OFFICIALS SHALL
8 CERTIFY TO THE DEPARTMENT BY SEPTEMBER 30, 2014 THAT IT DOES NOT
9 OFFER MEDICAL BENEFITS TO ITS TRANSPORTATION EMPLOYEES OR ELECTED
10 PUBLIC OFFICIALS. 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.

13 (2) IF A LOCAL ROAD AGENCY DOES NOT MAKE THE CERTIFICATION
14 REQUIRED UNDER SUBSECTION (1), THE DEPARTMENT MAY WITHHOLD ALL OR
15 PART OF THE DISTRIBUTIONS TO THE LOCAL ROAD AGENCY FROM THE
16 MICHIGAN TRANSPORTATION FUND UNDER THIS ACT. A WITHHOLDING UNDER
17 THIS SUBSECTION SHALL CONTINUE FOR THE PERIOD OF NONCOMPLIANCE WITH
18 SUBSECTION (1) BY THE LOCAL ROAD AGENCY.

19 (3) A LOCAL ROAD AGENCY SHALL MAINTAIN A SEARCHABLE WEBSITE
20 ACCESSIBLE BY THE PUBLIC AT NO COST THAT INCLUDES, BUT IS NOT
21 LIMITED TO, ALL OF THE FOLLOWING:

22 (A) FISCAL YEAR-TO-DATE EXPENDITURES BY CATEGORY.

23 (B) FISCAL YEAR-TO-DATE EXPENDITURES BY APPROPRIATION UNIT.

24 (C) FISCAL YEAR-TO-DATE PAYMENTS TO A SELECTED VENDOR,
25 INCLUDING THE VENDOR NAME, PAYMENT DATE, PAYMENT AMOUNT, AND
26 PAYMENT DESCRIPTION.

27 (D) THE NUMBER OF ACTIVE TRANSPORTATION EMPLOYEES OF THE LOCAL

1 ROAD AGENCY BY JOB CLASSIFICATION.

2 (E) JOB SPECIFICATIONS AND WAGE RATES.

3 (F) A FINANCIAL PERFORMANCE DASHBOARD.

4 (G) THE NAMES AND CONTACT INFORMATION FOR THE COUNTY ROAD
5 COMMISSIONERS.

6 (H) A RECOGNITION OF UNFUNDED LIABILITIES.

7 (I) A COPY OF THE CERTIFICATION REQUIRED BY SUBSECTION (1).

8 (4) A LOCAL ROAD AGENCY MAY DEVELOP AND OPERATE ITS OWN
9 WEBSITE TO PROVIDE THE INFORMATION REQUIRED UNDER SUBSECTION (3),
10 OR THE LOCAL ROAD AGENCY MAY REFERENCE THIS STATE'S CENTRAL
11 TRANSPARENCY WEBSITE AS THE SOURCE FOR THE INFORMATION REQUIRED
12 UNDER SUBSECTION (3). A LOCAL ROAD AGENCY MAY ALSO POST THE
13 INFORMATION REQUIRED UNDER SUBSECTION (3) ON THE WEBSITE FOR THE
14 COUNTY, CITY, OR VILLAGE WITHIN WHICH THE LOCAL ROAD AGENCY IS
15 LOCATED.

16 (5) FOR PURPOSES OF THIS SECTION ONLY:

17 (A) "LOCAL ROAD AGENCY" MEANS THAT TERM AS DEFINED IN SECTION
18 9A. IN ADDITION, IF A BOARD OF COUNTY ROAD COMMISSIONERS OF A
19 COUNTY IS DISSOLVED AS PROVIDED IN SECTION 6 OF CHAPTER IV OF 1909
20 PA 283, MCL 224.6, COUNTY ROAD COMMISSION INCLUDES THE COUNTY BOARD
21 OF COMMISSIONERS OF THAT COUNTY.

22 (B) "TRANSPORTATION EMPLOYEE" MEANS AN EMPLOYEE PAID IN WHOLE
23 OR IN PART THROUGH REVENUES DISTRIBUTED UNDER SECTIONS 12 TO 13 OR
24 AN EMPLOYEE WHO IS ENGAGED PRIMARILY IN WORK FUNDED THROUGH
25 REVENUES DISTRIBUTED UNDER SECTIONS 12 TO 13.