

HOUSE BILL No. 4206

February 8, 2011, Introduced by Reps. Haveman, Moss, Bumstead, Opsommer, McMillin, Price, Lund, Lori and Yonker and referred to the Committee on Government Operations.

A bill to amend 1945 PA 327, entitled
"Aeronautics code of the state of Michigan,"
by amending section 119 (MCL 259.119), as added by 2002 PA 90.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 119. (1) For employees who elect to transfer to the
2 authority under subsection (2) and who are covered by the terms of
3 a collective bargaining agreement with the local government that
4 owns an airport over which operational jurisdiction will be
5 transferred, the authority shall assume and be bound by those
6 existing collective bargaining agreements for the remainder of the
7 term of the agreement. A representative of the employees or a group
8 of employees in the local government who represents or is entitled
9 to represent the employees or a group of employees of the local
10 government, pursuant to 1947 PA 336, MCL 423.201 to 423.217, shall

1 continue to represent the employees or group of employees after the
2 employees transfer to the authority and the authority shall honor
3 all obligations of a public sector employer after the expiration of
4 any collective bargaining agreement with respect to transferring
5 employees.

6 (2) Local government employees employed at an airport from
7 which operational jurisdiction will be transferred to an authority
8 may agree to transfer to the employment of the authority on or
9 before a date established by the authority. The date established by
10 the authority shall not be later than the approval date. Local
11 government employees, who do not agree to transfer to the
12 employment of the authority, shall be reassigned within the local
13 government. The local government shall not, as a result of the
14 creation or incorporation of an authority for a period of not more
15 than 1 year, layoff or reduce the pay or benefits of any employee
16 of the local government into whose position a local government
17 employee who was previously employed at the airport is reassigned.
18 The authority shall consider any person hired by the authority to
19 fill a position that had been previously filled with a local
20 government employee who did not agree to transfer to the employment
21 of the authority to be under the collective bargaining agreement
22 covering, and to be represented by the collective bargaining
23 representative of, the local government employee who did not agree
24 to transfer to the authority. The authority shall accept the
25 transfers without a break in employment, subject to all rights and
26 benefits held by the transferring employees under a collective
27 bargaining agreement. Transferring employees shall not be placed in

1 a worse position by reason of the transfer for a period of 1 year
2 after the approval date, or any longer period as may be required in
3 connection with the assumption of any applicable collective
4 bargaining agreement, with respect to wages, workers' compensation,
5 pension, seniority, sick leave, vacation, or health and welfare
6 insurance or any other term and condition of employment that a
7 transferring employee may have under a collective bargaining
8 agreement that the employee received as an employee of the local
9 government. The rights and benefits protected by this subsection
10 may be altered by a future collective bargaining agreement, ~~except~~
11 ~~that any employee who as of the effective date of this chapter has~~
12 ~~the right, by contract or statute, to submit any unresolved~~
13 ~~disputes to the procedures set forth in 1969 PA 312, MCL 423.231 to~~
14 ~~423.247, shall continue to have that right, or, for employees not~~
15 covered by collective bargaining agreements, by benefit plans as
16 established and adopted by the authority. Employees who elect to
17 transfer shall not by reason of the transfer have their accrued
18 local government pension benefits or credits diminished. If a
19 transferring employee is not vested in his or her local government
20 pension rights at the time of transfer, his or her post-transfer
21 service with the authority shall be credited toward vesting in any
22 local government retirement system in which the transferring
23 employee participated prior to the transfer, but the post-transfer
24 service with the authority shall not be credited for any other
25 purpose under the local government's retirement system, except as
26 provided in subsections (3) and (4). An employee who elects to
27 transfer to the authority may, upon return to employment with the

1 local government within 1 year from the approval date, do so
2 without loss of seniority unless contrary to a collective
3 bargaining agreement. Notwithstanding any other provision of this
4 section, a political appointee, other than a member of the board
5 appointed under section 111, at an airport previously operated by
6 the local government from which operational authority has been
7 transferred to an authority shall not be placed in a worse position
8 in regards to terms and conditions of employment until December 31
9 of the year in which the authority is created.

10 (3) If a local government employee described in this section
11 elects to transfer to an authority or if a person is hired by the
12 authority as a new employee after the date on which the authority
13 assumes operational jurisdiction over an airport, the employee
14 shall remain or become a participant in the local government
15 retirement system until the authority has established its own
16 retirement system or pension plan. During this period the employee
17 remains or is a participant in the local government system, the
18 employee's post-transfer service with the authority during this
19 period and his or her post-transfer compensation from the authority
20 during this period shall be counted in determining both eligibility
21 for and the amount of pension benefits that the employee will be
22 eligible to receive from the local government system or plan.

23 (4) If a local government employee described in this section
24 elects to transfer to the authority, then the transferred employee
25 may elect to remain a participant in the local government
26 retirement system in lieu of participation in any retirement system
27 or pension plan of the authority. By electing to remain a

1 participant in the local government system, the employee's post-
2 transfer service with the authority and his or her post-transfer
3 compensation from the authority shall be counted in determining
4 both eligibility for and the amount of pension benefits that the
5 employee will be eligible to receive from the local government
6 system or plan. Any election to remain in a local government system
7 or plan shall be made within 60 days following the date the
8 authority has established its own retirement system or pension plan
9 and shall be irrevocable. Employees eligible to make the election
10 described in this subsection shall be those employees who
11 immediately before their transfer date were participating in the
12 local government system and who agree to make any employee
13 contributions required for continuing participation in the local
14 government system and also agree to meet all requirements and be
15 subject to all conditions which, from time to time, apply to
16 employees of the local government who participate in the local
17 government system.

18 (5) For each employee meeting the requirements of subsection
19 (4) who elects to remain a participant in the local retirement
20 system, the authority shall, on a timely basis, contribute the
21 following amounts, as applicable, to the trustees of that
22 retirement system:

23 (a) An amount determined by the local government system's
24 actuary toward amortization of unfunded actuarial accrued
25 liabilities which, as of the transfer date, are reasonably
26 allocated to that employee on the local government system's
27 records.

1 (b) An amount determined by the local government system's
2 actuary sufficient to fund the liability for all of that employee's
3 retirement and other benefits under the system on a current basis,
4 as those liabilities are accrued on and after the transfer date.

5 (c) An amount determined by the local government system's
6 actuary equal to all actuarial losses net of actuarial gains,
7 costs, and administrative expenses of the system which are
8 reasonably allocated to the employee.

9 (d) An amount equal to the percentage of compensation that the
10 local government would have contributed for the employee had he or
11 she remained in the employ of the local government.

12 (e) An amount corresponding to what the local government would
13 have contributed toward retiree health coverage for the employee.
14 However, the authority shall succeed to all rights of the local
15 government to modify, amend, replace, suspend, or discontinue the
16 retiree health coverage being provided to the persons who retire
17 from authority employment.

18 Enacting section 1. This amendatory act does not take effect
19 unless Senate Bill No.____ or House Bill No. 4205(request no.
20 01079'11) of the 96th Legislature is enacted into law.