



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 882 (Substitute S-1 as reported by the Committee of the Whole)
Sponsor: Senator Tom Casperson
Committee: Transportation

CONTENT

The bill would require county road commissions, instead of local road agencies, to comply with the requirements of Section 18j of Michigan Transportation Fund law.

Beginning September 30, 2014, Section 18j requires a local road agency to certify to the Department of Transportation that it satisfies one of the following conditions with respect to transportation employees:

- The local road agency has developed and publicized a transportation employee compensation plan that includes at least the following: a) new transportation employee retirement plan caps, depending on the employee's eligibility for Social Security, b) for defined benefit pension plans, a maximum multiplier depending on certain circumstances, c) for defined benefit pension plans, final average compensation calculations, and d) competitive cost sharing for employee health care premium costs.
- The local road agency complies with one of the following: a) if the local road agency offers medical benefits to its employees, it is in compliance with the Publicly Funded Health Insurance Contribution Act, or b) the local road agency does not offer medical benefits to its employees.

The Department may withhold all or part of the local road agency's Michigan Transportation Fund distributions for the duration of noncompliance.

Section 18j also requires a local road agency to maintain a searchable website accessible by the public at no cost that includes specified information.

MCL 247.668j

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill would have no fiscal impact at the State level, no fiscal impact at the county level, and an indeterminate but positive impact at the city and village level. The bill would limit the scope of the law's application to county road commissions rather than local road agencies. Cities and villages therefore would be exempt from the requirements in Section 18j, and could realize decreased costs of an indeterminate amount in the form of administrative and other expenses that are associated with maintaining data on a website.

Date Completed: 6-5-14

Fiscal Analyst: Glenn Steffens