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Senate Bill 882 (as enacted)  
Sponsor: Senator Tom Casperson  
Senate Committee: Transportation  
House Committee: Transportation and Infrastructure

**PUBLIC ACT 107 of 2014**

Date Completed: 1-6-15

**CONTENT**

**The bill amended Section 18j of the Michigan Transportation Fund (MTF) law to do the following:**

- **Require local road agencies and county road commissions to comply with Section 18j beginning September 30, 2015.**
- **Require a local road agency that offers employee medical benefits to indicate in a required certification whether it has exempted itself from the Publicly Funded Health Insurance Contribution Act.**

The bill took effect October 9, 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 employees:

- The local road agency has developed and publicized an employee compensation plan that includes at least the following: a) new 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.
- Either: a) if the local road agency offers medical benefits to its employees, it complies 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.

Originally, local road agencies were required to comply with Section 18j beginning September 30, 2014. The bill delayed that date by one year.

In the case of a local road agency that offers medical benefits, the bill requires the local road agency to indicate in the required certification whether it has exempted itself from the Publicly Funded Health Insurance Contribution Act, as specified as Section 8 of that Act.

(The Publicly Funded Health Insurance Contribution Act sets a relative ceiling on the amount that a public employee may contribute to its medical benefit plan for employees or elected public officials. Section 8 allows a local unit of government to exempt itself from the Act's requirements for the succeeding medical benefit plan coverage year with a two-thirds vote of its governing body.)

Also, as amended by the bill, Section 18j requires a county road commission to maintain a searchable website accessible by the public at no cost that includes the following: a) current fiscal year budget, b) the number of active employees of the road commission by job classification and wage rate, c) information on financial performance, d) the names and contact information for the governing body of the road commission, and e) a copy of the certification mentioned above. Previously, this requirement applied to a local road agency, rather than a county road commission.

In addition, Section 18j previously referred to "transportation employees". The bill refers instead to "employees", and deleted the definition of "transportation employee". (The term meant an employee paid through revenue distributed under Sections 12 to 13 of the MFT law or an employee engaged primarily in work funded through revenue distributed under Sections 12 to 13. Those sections provide for the distribution of revenue under the law to counties, cities, and villages.)

MCL 247.668j

Legislative Analyst: Jeff Mann

### **FISCAL IMPACT**

The bill will 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 limits the scope of the law's application to county road commissions rather than local road agencies. Cities and villages therefore are exempt from the website 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.

Fiscal Analyst: Glenn Steffens