

Legislative Analysis



INTERGOVERNMENTAL LABOR CONTRACTS: HIGHEST WAGES AND BENEFITS NOT REQUIRED

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Senate Bill 1085 as passed by the Senate
Sponsor: Sen. Mark Jansen

Senate Bill 1086 as passed by the Senate
Sponsor: Sen. Bill Hardiman
House Committee: Labor
Senate Committee: Reforms and Restructuring

Complete to 6-15-10

A SUMMARY OF SENATE BILLS 1085 (S-2) & 1086 (S-2) AS PASSED BY THE SENATE 2-10-10

The bills would provide that, under a contract between political subdivisions or under an interlocal agreement between public agencies, employees would not have to be paid the highest wages and benefits previously paid to them or their preexisting bargaining units. Senate Bill 1085 would amend Public Act 8 of 1967 (Ex Sess) (MCL 124.534), which governs intergovernmental transfers of functions and responsibilities. Senate Bill 1086 would amend the Urban Cooperation Act (MCL 124.505).

Now under each act, an employee who is transferred to a position with the political subdivision may not, by reason of the transfer, be placed in any worse position with respect to workers' compensation, pension, seniority, wages, sick leave, vacation, health and welfare insurance, or any other benefits enjoyed as an employee of the acquired system. Under Senate Bills 1085 and 1086, this provision would only apply until a new labor agreement was in place.

Further, the bills would require that all existing and expired labor contracts with an acquired system be assumed by the political subdivision and remain in effect until a new labor agreement was in place.

FISCAL IMPACT:

As written, the bills would not effect on state or local revenue, and would have no impact on state expenditures. The bills would either have no impact on local government spending or would reduce it by an indeterminate amount.

Legislative Analyst: J. Hunault
Fiscal Analyst: Jim Stansell

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