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BILL ANALYSIS



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Senate Bill 234 (as introduced 3-20-19)
Sponsor: Senator Sylvia Santana
Committee: Judiciary and Public Safety

Date Completed: 11-4-20

CONTENT

The bill would amend Public Act 390 of 1978, which governs the time and manner of payments of wages and fringe benefits to employees, to allow a law enforcement agency that entered into a loan forgiveness agreement to collect the costs of a law enforcement training academy if an employee voluntarily left employment with the agency.

Public Act 390 prohibits an employer, agent or representative of an employer, or other person having authority from the employer to hire, employ, or direct the services of other people in the employment of the employer from demanding or receiving, directly or indirectly from an employee, a fee, gift, tip, gratuity, or other remuneration or consideration, as a condition of employment or continuation of employment. This provision does not apply to fees collected by an employment agency licensed under the law of the State.

Under the bill, the provision also would not apply to the following remuneration or consideration collected by a law enforcement agency under a signed loan forgiveness agreement entered into on or after the bill's effective date:

- If the employee voluntarily left employment with the law enforcement agency within one year after the date the employee's law enforcement training academy ended, 100% of the cost of the law enforcement training academy.
- If the employee voluntarily left employment with the law enforcement agency more than one year but less than two years after the date the employee's law enforcement training academy ended, 75% of the cost of the law enforcement training academy.
- If the employee voluntarily left employment with the law enforcement agency two years or more but less than three years after the date the employee's law enforcement training academy ended, 50% of the cost of the law enforcement training academy.
- If the employee voluntarily leaves employment with the law enforcement agency three years or more but less than four years after the date the employee's law enforcement training academy ended, 25% of the cost of the law enforcement training academy.
- If the employee voluntarily leaves employment with the law enforcement agency four years or more but less than five years after the date the employee's law enforcement training academy ended, 10% of the cost of the law enforcement training academy.

"Law enforcement agency" would mean that term as defined in Section 2 of the Michigan Commission on Law Enforcement Standards (MCOLES) Act: an entity that is established and maintained in accordance with the laws of the State and is authorized by the laws of the State to appoint or employ law enforcement officers

"Law enforcement training academy" would mean that term as defined in Section 2 of the MCOLES Act: an agency basic law enforcement training academy, a preservice college basic law enforcement training academy, or a regional basic law enforcement training academy.

A loan forgiveness agreement would have to contain the following terms:

- That the employer would pay the cost of a law enforcement training academy required for that employee to obtain a license under the MCOLES Act.
- The conditions under which the payment would be provided and under which repayment to the employer by the employee or another person could be required.

The bill would take effect 90 days after its enactment.

MCL 408.478

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill could have a fiscal impact on a local law enforcement agency if an employee whose training was funded by that agency left voluntarily before five years of service and had to reimburse that agency, in varying amounts as provided under the bill, for its cost for the employee's academy tuition. The costs of tuition for a law enforcement training academy in Michigan range between \$6,000 and \$10,000.

Fiscal Analyst: Bruce Baker

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.