

Legislative Analysis



MUNICIPAL EMPLOYEES RETIREMENT SYSTEM GRIEVANCE HEARINGS

Phone: (517) 373-8080
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Senate Bill 1041 as passed by the Senate
Senate Bill 1042 (S-1) as passed by the Senate
Sponsor: Sen. Douglas C. Wozniak
House Committee: Judiciary
Senate Committee: Judiciary and Public Safety
Complete to 9-19-22

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Taken together, the bills would require a hearing, as a contested case, to be provided to a person aggrieved by a decision of the Municipal Employees Retirement System (MERS) under certain provisions of the Administrative Procedures Act (APA) and also allow for a court review of the final decision or order in the case.

Senate Bill 1042 would add a new section to the Municipal Employees Retirement Act to require MERS's retirement board to provide a hearing if requested in writing by a person, participating court, or participating municipality that is aggrieved by a decision of the retirement system. The hearing would have to be conducted as a contested case under Chapter 4 of the APA and policies or procedures adopted by the retirement board. A final order of a hearing under the bill would be subject to Chapter 6 of the APA. (Chapter 6 provides a mechanism for judicial review when a person is aggrieved by a final decision or order in a contested case, as well as when a person has exhausted all administrative remedies available within an agency.)

Proposed MCL 38.1545b

Senate Bill 1041 would amend the APA to include MERS and its retirement board in the definition of *agency*, except as otherwise provided under section 115(5) of the APA. (Section 115(5) specifies that provisions in the APA governing guidelines [Chapter 2], the rules promulgation process [Chapter 3], and the authority to issue licenses [Chapter 5] which apply to state agencies no longer apply to MERS or the retirement board once MERS is established as a public corporation. Public Act 220 of 1996, which amended the Municipal Employees Retirement Act to establish MERS as a public corporation managed by an independent retirement board, took effect August 15, 1996, which became the official certification date establishing MERS as a public corporation.)

MCL 24.203

Tie-bar and retroactive date

Senate Bill 1042 is tie-barred to SB 1041, which means that it cannot take effect unless SB 1041 is also enacted into law. Further, each bill states that it is intended to be retroactive and applies retroactively effective on and after August 15, 1996.

FISCAL IMPACT:

The bills would have no fiscal impact on state or local government.

Legislative Analyst: Susan Stutzky
Fiscal Analyst: Ben Gielczyk

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.