



# KELLEY CAWTHORNE

## Prepared for the Fire Service Clients of Kelley Cawthorne

### **Legislative Update for November 26<sup>th</sup> – November 30<sup>th</sup>**

The legislature's Lamé Duck session began this week with action taken on several divisive issues. The Senate passed bills amending the minimum wage ballot initiative and paid sick leave ballot initiative on 26-12 and 26-11 votes, respectively. Changes to the minimum wage law include extending the time frame over which wage increases would occur and restoring the current system where tipped workers are paid the difference between the regular minimum wage and the tipped wage if they don't make it up in tips. Wage increases are also no longer tacked to inflation under the passed legislation. Changes to the paid sick leave proposal include lowering the maximum amount of leave from 72 hours per year to 36 hours per year. The bills are now waiting for consideration by the House Michigan Competitiveness Committee.

After being reported by the Senate Government Operations Committee, the full Senate chose not to vote on SB 1197 despite originally planning to do so. The legislation would give the Mackinac Bridge Authority explicit permission to operate and manage a tunnel housing Line 5 below the Straits of Mackinac. The change in plans came after the bill received heavy opposition in committee and bill sponsor Sen. Tom Casperson (R-Escanaba) indicated a desire to review some of the issues raised by opponents.

The legislature will also consider a supplemental appropriations bill requested by Gov. Rick Snyder in Lamé Duck. The request proposes, among other things, \$183 million for roads, \$52 million for the Soo Lock, \$35 million for PFAS response, and \$4.5 million in initial funding for work related to the proposed Line 5 tunnel. The bill also contains multiple appropriations for various Health and Human Services programs and infrastructure projects.

### **Miscellaneous:**

Senate Majority Leader Meekhof has been telling many people that one of his lame duck priorities would be to amend PA 202, Protecting Local Government Retirement and Benefits Act which codified the Governors' task force report last December. After several meetings with legislators in both the House and Senate, we are feeling more confident that attacks to pensions and OPEB will not likely come through PA 202 changes. However, there are many bills that could attempt back door attacks such as SB 1129. This legislation was introduced by Senator Stamas. It would require communities to close DB pensions if they have an A Bond rating. This provision could lead to more communities who are subject to a Corrective Action Plan to end their DB plans versus trying to find viable solutions.

### **Committee Activity:**



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*House Local Government:* The committee took testimony on Chair Lowers' legislation HB 6531 which was introduced on Tuesday, November 27<sup>th</sup>. The committee occurred on Wednesday at noon leaving little time to react to the legislation. The bill would amend PA 152 which mandated the 80/20 premium

share and hard cap for employee healthcare costs. The legislation is being pushed by the MML on behalf of Shelby Township. In very basic terms the legislation would one, allow for one risk pool of both retirees and active employees and two, require that all employees equally share the 20% employee costs for healthcare instead of averaging city wide. Pooling of both retirees and actives will ensure that the current employees are paying a higher premium due to the higher risk that they will be shouldering from the retiree population. The retirees are also not subject to the hard cap whereas, the current employees are and in balancing the risk from the retirees will meet the hard cap faster causing increased costs for them.

The Senate introduced the same bill, SB 1209 by Sen. Pavlov, which was referred to the Senate Education Committee. They intend to take a vote on this bill in the committee next Tuesday.

*House Regulatory Reform:* The committee voted out HB 5939-5941 which are the fireworks bills. The bills easily moved to the House floor. We are expecting a vote on the floor next week. They will have to go through the Senate process as well before ending up on the Governors' desk.

*House Health Policy:* The committee voted out Senator Casperson's' SB 929 which would amend Part 209 (Emergency Medical Services) of the Public Health Code to permit an ambulance operation whose primary service area was in a county with a population of 10,000 or less, with fewer than seven people per square mile, to operate at a reduced or increased level of licensure, if certain conditions were met. We worked with Sen. Casperson to develop this very limited compromise.

*Senate Judiciary:* The committee voted out SB 1173 which amends the Fire Prevention Code to update the public assemblage requirements. The bill was voted out unanimously in committee. However, we don't expect this legislation to make it through the House before the end of the year.

### **Bill Introductions:**

[HB 6492 of 2018](#)

Local government; intergovernmental affairs; municipal partnership act; modify election dates for tax levy approval. Amends sec. 7 of 2011 PA 258 (MCL 124.117).

[HB 6511 of 2018](#)

Local government; other; removal of an emergency manager by a vote of the electors of the local government; provide for. Amends sec. 9 of 2012 PA 436 (MCL 141.1549).

[HB 6512 of 2018](#)

Retirement; other; pension benefits provided through a defined benefit retirement system or defined benefit plan; eliminate after certain date for certain elected or appointed individuals of local



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units of government. Amends 2017 PA 202 (MCL 38.2801 - 38.2812) by adding sec. 4a.

[HB 6531 of 2018](#)

Labor; public service employment; calculation and allocation of medical benefit plan payments; subject to bargaining. Amends secs. 3 & 4 of 2011 PA 152 (MCL 15.563 & 15.564) & adds sec. 7a.

[HB 6537 of 2018](#)

Labor; public service employment; claims utilization and cost information compilation; modify. Amends secs. 3 & 15 of 2007 PA 106 (MCL 124.73 & 124.85).

[HB 6552 of 2018](#)

Labor; hours and wages; minimum wage; eliminate index to inflation. Amends sec. 4 of 2014 PA 138 (MCL 408.414).

[SB 1205 of 2018](#)

Labor; public service employment; claims utilization and cost information compilation; modify. Amends secs. 3 & 15 of 2007 PA 106 (MCL 124.73 & 124.85).

[SB 1209 of 2018](#)

Labor; public service employment; calculation and allocation of medical benefit plan payments; subject to bargaining. Amends secs. 3 & 4 of 2011 PA 152 (MCL 15.563 & 15.564) & adds sec. 7a.

[SB 1234 of 2018](#)

Health; emergency services; transportation of police canines in ambulances; allow. Amends 1978 PA 368 (MCL 333.1101 - 333.25211) by adding sec. 20925.

### **Bill Activity:**

#### **PASSED, ENROLLED or ADOPTED By the CHAMBER**

[SB 0796 of 2018](#)

Labor; collective bargaining; public employer contracts that pay union officials for time conducting union business; prohibit. Amends sec. 10 of 1947 PA 336 (MCL 423.210).

[SB 1175 of 2018](#)

Labor; benefits; paid sick leave; eliminate presumptions against employers, and modify recordkeeping provisions. Amends secs. 6 & 10 of 2018 PA 338 (MCL 408.966 & 408.970).