

# HOUSE BILL No. 5183

July 14, 2009, Introduced by Rep. Bledsoe and referred to the Committee on Intergovernmental and Regional Affairs.

A bill to amend 1945 PA 327, entitled  
"Aeronautics code of the state of Michigan,"  
by amending section 119 (MCL 259.119), as added by 2002 PA 90.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 119. (1) For employees who elect to transfer to the  
2 authority under subsection (2) and who are covered by the terms of  
3 a collective bargaining agreement with the local government that  
4 owns an airport over which operational jurisdiction will be  
5 transferred, the authority shall assume and be bound by those  
6 existing collective bargaining agreements for the remainder of the  
7 term of the agreement. A representative of the employees or a group  
8 of employees in the local government who represents or is entitled  
9 to represent the employees or a group of employees of the local  
10 government, pursuant to 1947 PA 336, MCL 423.201 to 423.217, shall

1 continue to represent the employees or group of employees after the  
2 employees transfer to the authority and the authority shall honor  
3 all obligations of a public sector employer after the expiration of  
4 any collective bargaining agreement with respect to transferring  
5 employees.

6 (2) Local government employees employed at an airport from  
7 which operational jurisdiction will be transferred to an authority  
8 may agree to transfer to the employment of the authority on or  
9 before a date established by the authority. The date established by  
10 the authority shall not be later than the approval date. Local  
11 government employees, who do not agree to transfer to the  
12 employment of the authority, shall be reassigned within the local  
13 government. The local government shall not, as a result of the  
14 creation or incorporation of an authority for a period of not more  
15 than 1 year, layoff or reduce the pay or benefits of any employee  
16 of the local government into whose position a local government  
17 employee who was previously employed at the airport is reassigned.  
18 The authority shall consider any person hired by the authority to  
19 fill a position that had been previously filled with a local  
20 government employee who did not agree to transfer to the employment  
21 of the authority to be under the collective bargaining agreement  
22 covering, and to be represented by the collective bargaining  
23 representative of, the local government employee who did not agree  
24 to transfer to the authority. The authority shall accept the  
25 transfers without a break in employment, subject to all rights and  
26 benefits held by the transferring employees under a collective  
27 bargaining agreement. Transferring employees shall not be placed in

1 a worse position by reason of the transfer for a period of 1 year  
2 after the approval date, or any longer period as may be required in  
3 connection with the assumption of any applicable collective  
4 bargaining agreement, with respect to wages, workers' compensation,  
5 pension, seniority, sick leave, vacation, or health and welfare  
6 insurance or any other term and condition of employment that a  
7 transferring employee may have under a collective bargaining  
8 agreement that the employee received as an employee of the local  
9 government. The rights and benefits protected by this subsection  
10 may be altered by a future collective bargaining agreement except  
11 that any employee who as of the effective date of this chapter has  
12 the right, by contract or statute, to submit any unresolved  
13 disputes to the procedures set forth in 1969 PA 312, MCL 423.231 to  
14 423.247, shall continue to have that right, or, for employees not  
15 covered by collective bargaining agreements, by benefit plans as  
16 established and adopted by the authority. Employees who elect to  
17 transfer shall not by reason of the transfer have their accrued  
18 local government pension benefits or credits diminished. If a  
19 transferring employee is not vested in his or her local government  
20 pension rights at the time of transfer, his or her post-transfer  
21 service with the authority shall be credited toward vesting in any  
22 local government retirement system in which the transferring  
23 employee participated prior to the transfer, but the post-transfer  
24 service with the authority shall not be credited for any other  
25 purpose under the local government's retirement system, except as  
26 provided in subsections (3) and (4). An employee who elects to  
27 transfer to the authority may, upon return to employment with the

1 local government within 1 year from the approval date, do so  
2 without loss of seniority unless contrary to a collective  
3 bargaining agreement. Notwithstanding any other provision of this  
4 section, a political appointee, other than a member of the board  
5 appointed under section 111, at an airport previously operated by  
6 the local government from which operational authority has been  
7 transferred to an authority shall not be placed in a worse position  
8 in regards to terms and conditions of employment until December 31  
9 of the year in which the authority is created.

10 (3) If a local government employee described in this section  
11 elects to transfer to an authority or if a person is hired by the  
12 authority as a new employee after the date on which the authority  
13 assumes operational jurisdiction over an airport, the employee  
14 shall remain or become a ~~participant~~-**MEMBER** in the local government  
15 retirement system until the authority has established its own  
16 retirement system or pension plan. During this period the employee  
17 remains or is a ~~participant~~-**MEMBER** in the local government system,  
18 the employee's post-transfer service with the authority during this  
19 period and his or her post-transfer compensation from the authority  
20 during this period shall be counted in determining both eligibility  
21 for and the amount of pension benefits that the employee will be  
22 eligible to receive from the local government system or plan.

23 (4) If a local government employee described in this section  
24 elects to transfer to the authority, then the transferred employee  
25 may elect to remain a ~~participant~~-**MEMBER** in the local government  
26 retirement system in lieu of ~~participation~~-**MEMBERSHIP** in any  
27 retirement system or pension plan of the authority. By electing to

1 remain a ~~participant~~-**MEMBER** in the local government system, the  
2 employee's post-transfer service with the authority and his or her  
3 post-transfer compensation from the authority shall be counted in  
4 determining both eligibility for and the amount of pension benefits  
5 that the employee will be eligible to receive from the local  
6 government system or plan. Any election to remain in a local  
7 government system or plan shall be made within 60 days following  
8 the date the authority has established its own retirement system or  
9 pension plan and shall be irrevocable. Employees eligible to make  
10 the election described in this subsection shall be those employees  
11 who immediately before their transfer date were ~~participating in~~  
12 **MEMBERS OF** the local government system and who agree to make any  
13 employee contributions required for continuing ~~participation~~  
14 **MEMBERSHIP** in the local government system and also agree to meet  
15 all requirements and be subject to all conditions which, from time  
16 to time, apply to employees of the local government who ~~participate~~  
17 ~~in~~-**ARE MEMBERS OF** the local government system.

18 (5) For each employee meeting the requirements of subsection  
19 (4) who elects to remain a ~~participant~~-**MEMBER** in the local  
20 retirement system, the authority shall, on a timely basis,  
21 contribute the following amounts, as applicable, to the trustees of  
22 that retirement system:

23 (a) An amount determined by the local government system's  
24 actuary toward amortization of unfunded actuarial accrued  
25 liabilities which, as of the transfer date, are reasonably  
26 allocated to that employee on the local government system's  
27 records.

1           (b) An amount determined by the local government system's  
2     actuary sufficient to fund the liability for all of that employee's  
3     retirement and other benefits under the system on a current basis,  
4     as those liabilities are accrued on and after the transfer date.

5           (c) An amount determined by the local government system's  
6     actuary equal to all actuarial losses net of actuarial gains,  
7     costs, and administrative expenses of the system which are  
8     reasonably allocated to the employee.

9           (d) An amount equal to the percentage of compensation that the  
10    local government would have contributed for the employee had he or  
11    she remained in the employ of the local government.

12          (e) An amount corresponding to what the local government would  
13    have contributed toward retiree health coverage for the employee.  
14    However, the authority shall succeed to all rights of the local  
15    government to modify, amend, replace, suspend, or discontinue the  
16    retiree health coverage being provided to the persons who retire  
17    from authority employment.