

2012 Public Act 200

House Bill 5365

Economic Vitality Incentive Program (EVIP)/County Incentive Program (CIP)

Sec. 952. (1) The funds appropriated in part 1 for the economic vitality incentive program are to be used for grants to cities, villages, and townships such that, subject to fulfilling the requirements under subsection (3), each city, village, or township that received a payment under section 950(2) of 2009 PA 128 greater than \$4,500.00 is eligible to receive a maximum of 72.68289% of its total payment received under section 950(2) of 2009 PA 128, rounded to the nearest dollar. For the purposes of this subsection, any city or village that according to the 2010 federal decennial census is determined to have population in more than 1 county will be treated as a single entity when determining the payment received under section 950(2) of 2009 PA 128.

(2) The funds appropriated in part 1 for the county incentive program are to be used for grants to counties such that each county is eligible to receive an amount equal to the amount by which the balance in its revenue sharing reserve fund under section 44a of the general property tax act, 1893 PA 206, MCL 211.44a, for the county's most recent fiscal year that ends prior to the January 1 of the state's fiscal year is less than the amount calculated under section 44a(13) of the general property tax act, 1893 PA 206, MCL 211.44a, for the county fiscal year that begins in the state's fiscal year. The amount calculated under this subsection shall be adjusted as necessary to reflect partial county fiscal years and prorated based on the total amount appropriated for distribution to all eligible counties. Payments under this subsection will be distributed to an eligible county subject to the county fulfilling the requirements under subsection (3).

(3) Cities, villages, townships, and counties eligible to receive a potential payment from the allocation under subsection (1) or (2) may qualify to receive payments under 1 or more of the following 3 categories:

(a) Category 1, accountability and transparency, requires each eligible city, village, township, or county to certify by October 1, 2012, or the first day of a payment month for this category, that it has produced a citizen's guide of its most recent local finances, including a recognition of its unfunded liabilities, a performance dashboard, and a projected budget report including at a minimum the current fiscal year and a projection for the immediately following fiscal year. The projected budget report shall include revenues and expenditures, a detailed listing of its debt service requirements, and an explanation of the assumptions used for the projections. The citizen's guide, performance dashboard, and projected budget report shall be made available for public viewing in the city, village, township, or county clerk's office or posted on a publicly accessible Internet site. Each city, village, township, and county applying for a payment under this category shall submit a copy of the citizen's guide, a copy of the performance dashboard, and a copy of the projected budget report to the department of treasury.

(b) Category 2, consolidation of services, requires each eligible city, village, township, or county to certify by February 1, 2013, or the first day of a payment month for this category, that it has produced a consolidation plan. The consolidation plan shall be made readily available for public viewing in the city, village, township, or county clerk's office or posted on a publicly accessible Internet site. Each city, village, township, and county applying for a payment under this category shall submit a copy of the consolidation plan to the department of treasury. At a minimum, the consolidation plan shall include the following:

(i) For a city, village, township, or county that is submitting a consolidation plan for the first time, the plan shall include a listing of any previous services consolidated with an estimated cost savings amount for each consolidation. In addition, the plan shall include 1 or more new proposals to increase its existing level of cooperation, collaboration, and consolidation either within the jurisdiction or with other jurisdictions, an estimate of the potential savings amount, and a timeline for implementing the new proposal.

(ii) For a city, village, or township that submitted a consolidation plan in the previous fiscal year, the plan shall include an update on the status of the new proposals that were in the previous year's consolidation plan, including whether or not the previously proposed plan has been fully implemented, a listing of the barriers experienced in implementing the proposal, and a timeline of the steps to accomplish the proposed plan. In addition, the plan shall include 1 or more new proposals to increase its existing level of cooperation, collaboration, and consolidation either within the jurisdiction or with other jurisdictions, or a detailed explanation of why increasing its existing level of cooperation, collaboration, and consolidation is not feasible.

(c) Category 3, employee compensation, requires each eligible city, village, township, or county to meet 1 of the following requirements:

(i) Certify by June 1, 2013, or the first day of a payment month for this category, that it has developed and publicized an employee compensation plan that the city, village, township, or county intends to implement with any new, modified, or extended contract or employment agreements for employees not covered under contract or employment agreement.

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The employee compensation plan that each city, village, township, or county plans to achieve shall be made available for public viewing in the city, village, township, or county clerk's office or posted on a publicly accessible Internet site and must be submitted to the department of treasury. At a minimum, the employee compensation plan shall include all of the following:

(A) New hires that are eligible for retirement plans are placed on retirement plans that cap annual employer contributions at 10% of base salary for employees that are eligible for social security benefits. For employees that are not eligible for social security benefits, the annual employer contribution is capped at 16.2% of base salary.

(B) For defined benefit pension plans, a maximum multiplier of 1.5% for all employees that are eligible for social security benefits, except, where postemployment health care is not provided, the maximum multiplier shall be 2.25%. For all employees that are not eligible for social security benefits, a maximum multiplier of 2.25%, except, where postemployment health care is not provided, the maximum multiplier shall be 3.0%.

(C) For defined benefit pension plans, final average compensation for all employees is calculated using a minimum of 3 years of compensation and shall not include more than a total of 240 hours of paid leave. Overtime hours shall not be used in computing the final average compensation for an employee.

(D) Health care premium costs for new hires shall include a minimum employee share of 20%; or, an employer's share of the local health care plan costs shall be cost competitive with the new state preferred provider organization health plan, on a per-employee basis.

(ii) Comply with 1 of the following:

(A) Any eligible city, village, township, or county that offers medical benefits to its employees or elected public officials shall certify to the department of treasury by June 1, 2013, or the first day of a payment month for this category, that it is in compliance with the publicly funded health insurance contribution act, 2011 PA 152, MCL 15.561 to 15.569. Dental and vision coverages are not considered medical benefits. The department shall develop a certification process and method for cities, villages, townships, and counties to follow.

(B) Any city, village, township, or county that does not offer medical benefits to its employees or elected public officials shall certify to the department of treasury by June 1, 2013, or the first day of a payment month for this category, that it does not offer medical benefits to its employees or elected public officials. Dental and vision coverages are not considered medical benefits. The department shall develop a certification process and method for cities, villages, townships, or counties to follow.

(4) Economic vitality incentive program payments and county incentive program payments are subject to the following conditions:

(a) In order for a city, village, township, or county to qualify for a category under subsection (3)(a), (b), or (c), the city, village, township, or county shall meet every criteria for that category including a certification to the department that it has met the required criteria for that category and submission of the required citizen's guide, performance dashboard, and projected budget report; consolidation plan; or the employee compensation plan or certification of compliance with the publicly funded health insurance contribution act, 2011 PA 152, MCL 15.561 to 15.569, or certification that it does not offer medical benefits to employees or public officials, as required by subsection (3)(a), (b), or (c), respectively. A department of treasury review of the citizen's guide, dashboard, or plan is not required in order for a city, village, township, or county to receive a payment under subsection (1) or (2). The department shall develop a certification process and method for cities, villages, townships, and counties to follow.

(b) Subject to subsection (4)(c), (d), and (e), for each category that a city, village, township, or county qualifies for in subsection (3), the city, village, township, or county shall receive 1/3 of its potential payment under this section.

(c) Payments under this section shall be issued to cities, villages, and townships as follows:

(i) Category 1, an eligible city, village, or township that certifies with the department of treasury that it has qualified for a payment under subsection (3)(a) by October 1, 2012 shall receive 1/6 of its available distribution on the last business day of October 2012 and 1/6 of its available distribution on the last business day of December 2012. If an eligible city, village, or township certifies with the department of treasury that it has qualified for a payment under subsection (3)(a) after October 1, 2012, but prior to December 1, 2012, the city, village, or township shall receive 1/6 of its available distribution on the last business day of December 2012.

(ii) Category 2, an eligible city, village, or township that certifies with the department of treasury that it has qualified for a payment under subsection (3)(b) by February 1, 2013 shall receive 1/6 of its available distribution on the last business day of February 2013 and 1/6 of its available distribution on the last business day of April 2013. If an eligible city, village, or township certifies with the department of treasury that it has qualified for a payment under subsection (3)(b) after February 1, 2013, but prior to April 1, 2013, the city, village, or township shall receive 1/6 of its available distribution on the last business day of April 2013.

(iii) Category 3, an eligible city, village, or township that certifies with the department of treasury that it has qualified for a payment under subsection (3)(c) by June 1, 2013 shall receive 1/6 of its available distribution on the last business day of June 2013 and 1/6 of its available distribution on the last business day of August 2013. If an eligible city, village, or township certifies with the department of treasury that it has qualified for a payment under subsection (3)(c) after June 1, 2013, but prior to August 1, 2013, the city, village, or township shall receive 1/6 of its available distribution on the last business day of August 2013.

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(d) Payments under this section shall be issued to counties for each category in subsection (3) until the specified due date for the category. After the specified due date for the category, payments shall be made to a county only if that county has complied with subsection (4)(a).

(e) If a county does not provide the required certification or fails to submit the required citizen's guide, performance dashboard, projected budget report, consolidation plan, or certification of compliance with the publicly funded health insurance contribution act, 2011 PA 152, MCL 15.561 to 15.569, by the first day of a payment month, the county shall forfeit the payment in that payment month for the uncertified category in subsection (3).

(f) Any city, village, township, or county that falsifies certification documents shall forfeit any future economic vitality incentive program payments or county incentive program payments and shall repay to this state all economic vitality incentive program payments or county incentive program payments it has received under this section.

(g) Economic vitality incentive program payments and county incentive program payments under this section shall be distributed on the last business day of October, December, February, April, June, and August.

(h) Payments distributed under this section may be withheld pursuant to sections 17a and 21 of the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.917a and 141.921.

(i) The department of treasury shall develop detailed guidance for an eligible city, village, township, or county to follow to qualify for a payment under subsection (3)(a), (b), and (c). The detailed guidance shall be posted on the department of treasury website and distributed to eligible cities, villages, townships, and counties by October 1, 2012.

(5) The unexpended funds appropriated in part 1 for the economic vitality incentive program and the county incentive program shall be available for expenditure for competitive grant assistance projects under section 951.