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BILL ANALYSIS



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House Bill 5130 (Substitute H-1 as passed by the House)
Sponsor: Representative Mike Mueller
House Committee: Government Operations
Senate Committee: Judiciary and Public Safety

Date Completed: 5-4-22

CONTENT

The bill would amend Public Act 390 of 1978, which regulates the payment of wages and fringe benefits, to allow a law enforcement agency that entered into an agreement to collect certain costs of a law enforcement training academy if an employee voluntarily left employment with the agency within five years after the employee left the training academy.

The Act 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 individuals 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 prohibition does not apply to fees collected by an employment agency licensed under the laws of the State.

Under the bill, the prohibition 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:

- Up to 100% of the cost of the law enforcement training academy 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.
- Up to 75% 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.
- Up to 50% 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.
- Up to 25% of the cost of the law enforcement training academy if the employee voluntarily left 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.
- Up to 10% of the cost of the law enforcement training academy if the employee voluntarily left 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.

"Law enforcement agency" would mean that term as defined in the Michigan Commission on Law Enforcement Standards 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 the Michigan Commission on Law Enforcement Standards 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 under the bill 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 Michigan Commission on Law Enforcement Standards 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.
- That the employer was not entitled to any percentage of the cost of the law enforcement training academy if the employer terminated the employee's employment at any time and on nondisciplinary grounds or if the employee were laid off from employment with the employer because of budget cuts within five years after the date the employee's law enforcement training academy ended.
- That the time requirements described in the bill could be waived by the employer if the employee voluntarily left employment with the employer, the employee suffered a critical incident in the course of his or her employment with the employer, and the employee provided documentation from a mental health professional that the employee was undergoing treatment from the mental health professional for that critical incident.

MCL 408.478

Legislative Analyst: Stephen P. 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, and not under certain mitigating circumstances, before five years of service and had to reimburse that agency for a percentage of its cost for the employee's academy tuition. The costs of full tuition for a law enforcement training academy in Michigan range between \$6,000 and \$10,000.

Fiscal Analyst: Bruce R. 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.