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BILL ANALYSIS

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Senate Bill 8 (Substitute S-3 as reported)
Senate Bills 9 and 10 (as reported without amendment)
Sponsor: Senator Mark C. Jansen
Committee: Reforms, Restructuring, and Reinventing

CONTENT

Senate Bill 8 (S-3) would create the "Municipal Partnership Act" to authorize two or more local governments, or one or more local governments and a public agency, to enter into a contract to form a joint endeavor that could exercise the functions of the local governments or public agency. ("Local government" would mean a county, city, village, or township. "Public agency" is defined below.) The bill also would:

- Describe provisions that the contract could contain, including the entity that would function as the employer of personnel needed for the joint endeavor, and provisions for an authority.
- Allow a joint endeavor to levy up to five mills with voter approval.
- Allow a party to the contract to use tax revenue dedicated to a function or service, to pay for the exercise or performance of that function or service under the contract.
- Identify prohibited subjects of collective bargaining between a local government and a bargaining representative of its employees.
- Specify that the proposed Act would control over any conflicting statute, rule, charter, or ordinance.
- Specify that nothing in the Act would create an employment relationship between the existing employees of a local government or public agency and a proposed joint endeavor.
- Specify that the contract would not be subject to referendum under any local charter or ordinance, and could not be the basis for the recall of any elected official.

The following would be prohibited subjects of collective bargaining: a decision as to whether a local government would enter into a contract for a joint endeavor for or in connection with one or more functions or services; the procedures for obtaining the contract; and the identities of the other parties to the contract.

The contents or language of a contract for a joint endeavor would be a permissive subject of collective bargaining. If a local government and a bargaining representative engaged in collective bargaining before the contract for a joint endeavor was approved, and the parties reached an agreement on issues that would obligate an entity that would function as an employer in the joint endeavor, then the contract for the joint endeavor would have to include those obligations.

The bill would define "public agency" as the State, any department or agency of the State, a single-purpose or multipurpose public body corporate formed under a law other than the proposed Act, or an Indian tribe recognized by the Federal government before 2000 that exercises governmental authority over land within the State.

Senate Bill 9 would amend the public employment relations Act to state that the provisions of the Act would be subject to the Municipal Partnership Act.

Senate Bill 10 would amend Chapter 36 (Recall) of the Michigan Election Law to state that the provisions of that chapter would be subject to the Municipal Partnership Act.

Senate Bill 8 (S-3) is tie-barred to Senate Bills 9 and 10, which are tie-barred to Senate Bill 8.

Proposed MCL 423.201a (S.B. 9)
Proposed MCL 168.976a (S.B. 10)

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

Senate Bill 8 (S-3) would potentially increase State and/or local unit revenue and/or expenditures by an unknown amount. If the joint endeavor were funded from existing revenue, the bill would not increase revenue but would likely allocate expenditures differently.

Senate Bill 8 (S-3) would allow a property tax of up to five mills to be levied on all areas served by a joint endeavor. If a joint endeavor were to involve a contract between the State and a local unit to provide some service statewide, the bill would appear to allow an election for a statewide tax to fund the activity.

Senate Bill 9 would have an unknown effect, which would depend on how subjecting the public employment relations Act (PERA) to the proposed Municipal Partnership Act would affect the terms of any public service employment. Senate Bill 8 (S-3) does not place any restrictions on the terms of public employee contracts and Senate Bill 9 would effectively exempt such contracts from the requirements of PERA, as well as prohibit certain issues from being subject to collective bargaining.

Senate Bill 10 would likely have little or no fiscal impact on local units, in that it is complementary to the provision in Senate Bill 8 (S-3) specifying that actions related to contracts for joint endeavors would not be a valid basis for conducting a recall election.

The bills would have no impact on State revenue or expenditure, unless the State were to enter into a contract allowed under Senate Bill 8 (S-3).

Date Completed: 6-9-11

Fiscal Analyst: David Zin

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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.