

**SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 4311**

A bill to amend 1967 (Ex Sess) PA 8, entitled  
"An act to provide for intergovernmental transfers of functions and  
responsibilities,"  
by amending section 4 (MCL 124.534).

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 4. **(1)** A contract shall include:

2       (a) A description of the functions or responsibilities to be  
3 transferred.

4       (b) The effective date of the contract.

5       (c) The term of operation under the contract.

6       ~~— (d) The manner in which the affected employees, if any, of the~~  
7 ~~participating political subdivisions shall be transferred,~~  
8 ~~reassigned or otherwise treated subject to the following:~~

9       ~~— (i) Such employees as are necessary for the operation thereof~~  
10 ~~shall be transferred to and appointed as employees subject to all~~

~~rights and benefits. These employees shall be given seniority credits and sick leave, vacation, insurance and pension credits in accordance with the records or labor agreements from the acquired system. Members and beneficiaries of any pension or retirement system or other benefits established by the acquired system shall continue to have rights, privileges, benefits, obligations and status with respect to such established system. The political subdivision to which the functions or responsibilities have been transferred shall assume the obligations of any system acquired by it with regard to wages, salaries, hours, working conditions, sick leave, health and welfare and pension or retirement provisions for employees. If the employees of an acquired system were not guaranteed sick leave, health and welfare and pension or retirement pay based on seniority, the political subdivision shall not be required to provide these benefits retroactively.~~

~~—— (ii) No employee who is transferred to a position with the political subdivision shall by reason of such transfer be placed in any worse position with respect to workmen's compensation, pension, seniority, wages, sick leave, vacation, health and welfare insurance or any other benefits that he enjoyed as an employee of such acquired system.~~

**(D) THE POLITICAL SUBDIVISION THAT WILL FUNCTION AS THE EMPLOYER OF PERSONNEL AND STAFF NEEDED FOR THE TRANSFER OF FUNCTIONS OR RESPONSIBILITIES.**

(e) The manner in which any real property, facilities, equipment, or other personal property required in the execution of the contract shall be transferred, sold, or otherwise disposed of

House Bill No. as amended June 30, 2011

1 between the contracting parties.

2 (f) The method of financing to be used and the amount to be  
3 paid by each of the participating units in relation to the  
4 undertaking involved.

5 (g) Other legal, financial, and administrative arrangements  
6 necessary to effectuate the undertaking.

7 (2) THE POLITICAL SUBDIVISIONS THAT ARE PARTIES TO A CONTRACT  
8 ENTERED INTO PURSUANT TO THIS ACT HAVE THE RESPONSIBILITY,  
9 AUTHORITY, AND RIGHT TO MANAGE AND DIRECT ON BEHALF OF THE PUBLIC  
10 THE FUNCTIONS OR SERVICES PERFORMED OR EXERCISED IN CONNECTION WITH  
11 THE CONTRACT.

12 (3) THE CONTENTS OR LANGUAGE OF A CONTRACT FOR A TRANSFER OF  
13 FUNCTIONS OR RESPONSIBILITIES UNDER THIS ACT SHALL BE A PERMISSIVE  
14 SUBJECT OF COLLECTIVE BARGAINING BETWEEN A POLITICAL SUBDIVISION  
15 AND A BARGAINING REPRESENTATIVE OF ITS EMPLOYEES. IF A POLITICAL  
16 SUBDIVISION AND A BARGAINING REPRESENTATIVE OF ITS EMPLOYEES ENGAGE  
17 IN COLLECTIVE BARGAINING BEFORE THE CONTRACT FOR A TRANSFER OF  
18 FUNCTIONS OR RESPONSIBILITIES IS APPROVED AND THAT POLITICAL  
19 SUBDIVISION AND THAT BARGAINING REPRESENTATIVE REACH AN AGREEMENT  
20 ON ISSUES THAT WOULD OBLIGATE THE POLITICAL SUBDIVISION THAT WILL  
21 FUNCTION AS AN EMPLOYER IN THE JOINT SYSTEM, THEN THE CONTRACT FOR  
22 THAT TRANSFER OF FUNCTIONS OR RESPONSIBILITIES SHALL INCLUDE THOSE  
23 OBLIGATIONS.

24 (4) NOTHING IN THIS ACT CREATES AN EMPLOYMENT RELATIONSHIP  
25 BETWEEN THE EXISTING EMPLOYEES OF A POLITICAL SUBDIVISION AND THE  
26 PROPOSED JOINT SYSTEM.

<<(5) ALL UNEXPIRED COLLECTIVE BARGAINING AGREEMENTS WITH A  
POLITICAL SUBDIVISION SHALL REMAIN IN EFFECT UNTIL EXPIRED, MODIFIED, OR  
REPLACED BY A COLLECTIVE BARGAINING AGREEMENT WITH THE JOINT SYSTEM UNDER  
THIS SECTION IN ACCORDANCE WITH 1947 PA 336, MCL 423.201 TO 423.217, AND  
OTHER APPLICABLE LAWS. IF THE EMPLOYEES OF A JOINT SYSTEM ARE IN A  
BARGAINING UNIT REPRESENTED BY A LABOR ORGANIZATION, BUT ARE NOT SUBJECT  
TO AN UNEXPIRED COLLECTIVE BARGAINING AGREEMENT, THE TERMS AND CONDITIONS  
OF EMPLOYMENT SHALL REMAIN IN EFFECT UNTIL MODIFIED IN ACCORDANCE WITH  
1947 PA 336, MCL 423.201 TO 423.217, AND OTHER APPLICABLE LAWS. NOTHING  
IN THIS SECTION REQUIRES A POLITICAL SUBDIVISION OR A JOINT SYSTEM TO  
ASSUME A COLLECTIVE BARGAINING AGREEMENT BETWEEN ANOTHER POLITICAL  
SUBDIVISION AND ITS EMPLOYEES.>>