

**SUBSTITUTE FOR
SENATE BILL NO. 8**

A bill to provide for certain municipal joint endeavors; to provide standards for those municipal joint endeavors; to provide powers and duties of a municipal joint endeavor; to authorize the levy of a property tax by a municipal joint endeavor; and to provide for the powers and duties of certain government officials.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "municipal partnership act".

3 Sec. 2. As used in this act:

4 (a) "Authority" means an authority formed by contract pursuant
5 to this act.

6 (b) "Governing body" means the board, council, commission, or
7 body in which the policy-making powers of the local government are

1 vested.

2 (c) "Local government" means a county, city, village, or
3 township.

4 (d) "Public agency" means this state, any department or agency
5 of this state, a single- or multi-purpose public body corporate
6 formed pursuant to a law other than this act, or an Indian tribe
7 recognized by the federal government before the year 2000 that
8 exercises governmental authority over land within this state.

9 Sec. 3. (1) Two or more local governments or 1 or more local
10 governments and a public agency are authorized to enter into a
11 contract with each other to form a joint endeavor to perform or
12 exercise any function, service, power, or privilege that the local
13 government or public agency could each exercise separately.

14 (2) A contract entered into pursuant to subsection (1) shall
15 be approved by resolution of the governing body of each
16 participating local government.

17 Sec. 4. A contract to form a joint endeavor pursuant to this
18 act may provide for 1 or more of the following:

19 (a) The purpose of the joint endeavor with reference to the
20 functions, services, powers, or privileges to be performed or
21 exercised and the methods by which the purpose will be accomplished
22 or the manner in which the joint endeavor will be exercised or
23 performed.

24 (b) The duration of the contract and the method by which it
25 may be terminated by any participating local government or public
26 agency before the stated date of termination.

27 (c) An authority, including the precise organization,

1 composition, and nature of that authority and its board with the
2 functions, duties, obligations, powers, and privileges given to
3 that authority and board.

4 (d) If an authority is not created by the contract, the
5 precise organization, composition, and nature of any separate legal
6 or administrative entity created by the joint endeavor in the
7 contract with the powers designated to that entity.

8 (e) The designation and selection of officers of an authority
9 board or any legal or administrative entity created by the joint
10 endeavor in the contract.

11 (f) The method of financing to be used and the amount to be
12 paid by each participating local government or public agency in
13 relation to the purpose of the joint endeavor involved.

14 (g) The method for submitting the question of a tax levy to
15 the electors served by the joint endeavor.

16 (h) The acquisition of personal or real property by purchase,
17 lease, or other method and the sale, lease, or disposal of personal
18 or real property.

19 (i) The operation, maintenance, repair, replacement,
20 construction, and improvement of personal or real property.

21 (j) The entity or entities that will function as the employer
22 or employers of personnel and staff needed for the joint endeavor.

23 (k) The making and promulgating of necessary rules and
24 regulations and the enforcement of those rules and regulations by
25 or with the assistance of the parties to the contract.

26 (l) The manner of allocating risks and responding to any claims
27 of liability that may result from the joint endeavor or being a

1 party to the contract and for insuring against any such liability.

2 (m) The methods of addressing and resolving disputes among the
3 parties to the contract.

4 (n) Any other matters agreed upon by the parties to the
5 contract.

6 Sec. 5. A contract entered into under this act may provide for
7 1 or more parties to the contract to administer or execute the
8 contract or to exercise or perform some or all of the functions,
9 services, powers, or privileges to be exercised or performed by the
10 joint endeavor in the manner provided for by the contract.

11 Sec. 6. Notwithstanding any local charter or ordinance to the
12 contrary, a party to a contract may use tax revenues that are
13 dedicated to pay for the exercise or performance of any function,
14 service, power, or privilege by that party individually to fund the
15 exercise or performance of that function, service, power, or
16 privilege under the contract.

17 Sec. 7. The joint endeavor may levy a tax of not more than 5
18 mills on all taxable property in the areas served by the joint
19 endeavor for the purpose of providing revenue to the joint
20 endeavor. The joint endeavor may levy the tax only if a majority of
21 the electors served by the joint endeavor voting on the tax approve
22 the tax.

23 Sec. 8. This act provides authorization to enter into
24 contracts that is in addition to and may be exercised separately
25 from any authorization to enter into contracts under any other
26 statute of this state.

27 Sec. 9. Except as otherwise provided in this section, if any

1 provision of this act conflicts with any other statute of this
2 state, any promulgated rule of any agency of this state, any local
3 charter provision, or any local ordinance, the provisions of this
4 act shall control. The authority to enter into a contract pursuant
5 to this act shall not be affected by any condition or limitation
6 that may be imposed by any other state statute or in any state
7 rule, local charter provision, or local ordinance. However, this
8 act shall not affect any rights of any party under 1947 PA 336, MCL
9 423.201 to 423.217, except as specifically provided in section 12.

10 In addition, this act does not modify the provisions of 1969 PA
11 312, MCL 423.231 to 423.247.

12 Sec. 10. A contract entered into pursuant to this act shall
13 not be subject to referendum under any local charter provision or
14 local ordinance.

15 Sec. 12. (1) The local governments that are parties to a
16 contract entered into pursuant to this act have the responsibility,
17 authority, and right to manage and direct on behalf of the public
18 the functions or services performed or exercised in connection with
19 the contract.

20 (2) The following are prohibited subjects of collective
21 bargaining between a local government and a bargaining
22 representative of its employees:

23 (a) A decision as to whether or not the local government will
24 enter into a contract for a joint endeavor pursuant to this act for
25 or in connection with 1 or more functions or services.

26 (b) The procedures for obtaining the contract for a joint
27 endeavor pursuant to this act.

1 (c) The identities of the other parties to the contract for a
2 joint endeavor pursuant to this act.

3 (3) Except as otherwise provided in this section, the contents
4 or language of a contract for a joint endeavor under this act shall
5 be a permissive subject of collective bargaining between a local
6 government and a bargaining representative of its employees. If a
7 local government and a bargaining representative of its employees
8 engage in collective bargaining before the contract for a joint
9 endeavor is approved as provided in section 3(2) and that local
10 government and that bargaining representative reach an agreement on
11 issues that would obligate an entity that will function as an
12 employer in the joint endeavor, then the contract for that joint
13 endeavor shall include those obligations.

14 (4) Nothing in this act creates an employment relationship
15 between the existing employees of a local government or a public
16 agency and the proposed joint endeavor.

17 (5) Nothing in this act relieves a local government of the
18 duty, to the extent a duty exists under applicable law, to
19 collectively bargain with its employees over the effect of the
20 joint endeavor on its employees.

21 Enacting section 1. This act does not take effect unless
22 Senate Bill No. 9 of the 96th Legislature is enacted into law.