

HOUSE 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 a single- or multi-purpose public
5 body corporate formed pursuant to a law other than this act or an
6 Indian tribe recognized by the federal government before the year
7 2000 that exercises governmental authority over land within this
8 state. Public agency does not include this state or a department,
9 division, or agency of this state.

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

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

18 Sec. 4. (1) A contract to form a joint endeavor under this act
19 shall include all of the following:

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

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

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1 which a participating local government or public agency may
2 withdraw from participation in the joint endeavor.

3 (c) If an authority is created by the contract, the precise
4 organization, composition, and nature of that authority and its
5 board with the functions, duties, obligations, powers, and
6 privileges given to that authority and board.

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

11 (e) The designation and selection of officers of an authority,
12 board, or any legal or administrative entity created by the joint
13 endeavor in the contract.

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

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

19 [(h) Unless a local government participating in the joint endeavor
20 already provides a service, including, but not limited to, emergency
21 medical services regulated under part 209 of the public health code,
22 1978 PA 368, MCL 333.20901 to 333.20979, the joint endeavor shall
23 solicit competitive bids for those services that the joint endeavor
24 intends to provide. The joint endeavor shall disclose to the public all
25 competitive bids obtained for those services the joint endeavor
26 provides.

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1 (2) A contract to form a joint endeavor under this act may
2 provide for 1 or more of the following:

3 (a) The acquisition of personal or real property by purchase,
4 lease, or other method and the sale, lease, or disposal of personal
5 or real property.

6 (b) The operation, maintenance, repair, replacement,
7 construction, and improvement of personal or real property.

8 (c) The entity or entities that will function as the employer
9 or employers of personnel and staff needed for the joint endeavor.

10 (d) The making and promulgating of necessary rules and
11 regulations and the enforcement of those rules and regulations by
12 or with the assistance of the parties to the contract.

13 (e) The manner of allocating risks and responding to any
14 claims of liability that may result from the joint endeavor or
15 being a party to the contract and for insuring against any such
16 liability.

17 (f) The methods of addressing and resolving disputes among the
18 parties to the contract.

19 (g) Any other matters agreed upon by the parties to the
20 contract.

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

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

18 Sec. 7. (1) Subject to subsection (3), the joint endeavor may
19 levy a tax of not more than 5 mills on all taxable property in the
20 areas served by the joint endeavor for the purpose of providing
21 revenue to the joint endeavor.

22 (2) A proposal for a tax shall not be placed on the ballot
23 unless the proposal is adopted by a resolution of the governing
24 body of each local government participating in the joint endeavor.

25 (3) If a joint endeavor levies a millage under this section,
26 each year the joint endeavor shall, as necessary, decrease the
27 number of mills the joint endeavor levies to ensure that, with

1 respect to each participating local government in the joint
2 endeavor, the number of mills levied by a participating local
3 government plus the number of mills levied by the joint endeavor
4 will not exceed the maximum number of mills that the participating
5 local government is constitutionally and statutorily authorized to
6 levy under each of the following:

7 (a) Section 6 of article IX of the state constitution of 1963.

8 (b) The property tax limitation act, 1933 PA 62, MCL 211.201
9 to 211.217a.

10 (c) Section 14(1)(m) of 1966 PA 293, MCL 45.514.

11 (d) Section 3(g) of the home rule city act, 1909 PA 279, MCL
12 117.3.

13 (e) Section 27(2) of the charter township act, 1947 PA 359,
14 MCL 42.27.

15 (f) Section 26(1)(i) of the home rule village act, 1909 PA
16 278, MCL 78.26.

17 (g) Section 1(2) of chapter IX of the general law village act,
18 1895 PA 3, MCL 69.1.

19 (h) Any other applicable millage limit enacted after the
20 effective date of this act.

21 (4) If only a portion of a local government is located in the
22 service area of a joint endeavor, as described in the contract for
23 the joint endeavor, only those electors residing in that portion of
24 the local government located in the service area of the joint
25 endeavor are eligible to vote on the ballot proposal for a tax and
26 that tax shall only be levied against the property within that
27 service area.

1 (5) The proposal for a tax under this act may be submitted to
2 a vote of the electors served by the joint endeavor only at an even
3 year general November election.

4 (6) A ballot proposal for a tax shall comply with the
5 requirements of section 24f of the general property tax act, 1893
6 PA 206, MCL 211.24f. In addition, the ballot shall state the manner
7 in which the tax levy will result in any reduction of taxes levied
8 by each local government participating in the joint endeavor.

9 (7) The joint endeavor may levy a new tax or the increase of
10 an existing tax only if a majority of the electors in each local
11 government served by the joint endeavor voting on the tax approve
12 the tax. The joint endeavor may levy the renewal of an existing tax
13 only if a majority of the electors served by the joint endeavor
14 voting on the renewal of the existing tax approve the tax.

15 (8) A tax authorized to be levied by a joint endeavor under
16 this act shall be levied and collected at the same time and in the
17 same manner as provided by the general property tax act, 1893 PA
18 206, MCL 211.1 to 211.155.

19 Sec. 8. This act provides authorization to enter into
20 contracts that is in addition to and may be exercised separately
21 from any authorization to enter into contracts under any other
22 statute of this state.

23 Sec. 9. Except as otherwise provided in this section, if any
24 provision of this act conflicts with any local charter provision or
25 any local ordinance, the provisions of this act shall control. The
26 authority to enter into a contract pursuant to this act shall not
27 be affected by any condition or limitation that may be imposed by

1 any local charter provision or local ordinance. However, this act
2 shall not affect any rights of any party under 1947 PA 336, MCL
3 423.201 to 423.217, except as specifically provided in section 12.
4 In addition, this act does not modify the provisions of 1969 PA
5 312, MCL 423.231 to 423.247.

6 Sec. 10. A contract entered into pursuant to this act shall
7 not be subject to referendum under any local charter provision or
8 local ordinance.

9 Sec. 11. A joint endeavor formed under this act is subject to
10 the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to
11 141.440a.

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

17 (2) The following are prohibited subjects of collective
18 bargaining between a local government and a bargaining
19 representative of its employees:

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

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

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

27 (3) Except as otherwise provided in this section, the contents

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

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

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

18 Sec. 13. Nothing in this act authorizes or shall be construed
19 to authorize the construction of any tunnel, bridge, or other
20 infrastructure that is part of or related to an international
21 border crossing.

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