

URBAN COOPERATION ACT OF 1967 (EXCERPT)
Act 7 of 1967 (Ex. Sess.)

124.505 Joint exercise of power by contract; interlocal agreement provisions.

Sec. 5.

(1) A joint exercise of power pursuant to this act shall be made by contract or contracts in the form of an interlocal agreement which may provide for:

(a) The purpose of the interlocal agreement or the power to be exercised and the method by which the purpose will be accomplished or the manner in which the power will be exercised.

(b) The duration of the interlocal agreement and the method by which it may be rescinded or terminated by any participating public agency prior to the stated date of termination.

(c) The precise organization, composition, and nature of any separate legal entity expressly created in the interlocal agreement with the powers designated to that entity.

(d) The manner in which the parties to the interlocal agreement will provide for financial support from the treasuries that may be made for the purpose set forth in the interlocal agreement, payments of public funds that may be made to defray the cost of such purpose, advances of public funds that may be made for the purposes set forth in the interlocal agreements and repayment of the public funds, and the personnel, equipment, or property of 1 or more of the parties to the agreement that may be used in lieu of other contributions or advances.

(e) The manner in which funds may be paid to and disbursed by any separate legal entity created pursuant to the interlocal agreement.

(f) A method or formula for equitably providing for and allocating revenues, including, in the case of an authorized undertaking that is publicly owned at the time the interlocal agreement is entered into or becomes publicly owned during the time the interlocal agreement is in effect, revenues derived by or payable to any participating party or any other public agency which revenues directly or indirectly result from that undertaking, whether the revenues are in the form of ad valorem taxes on real or personal property, taxes on income, specific taxes or funds made available by the state in lieu of ad valorem property taxes or local income taxes, any other form of taxation, assessment, levy, or impost, or any money paid under or which revert from a tax increment financing plan. The interlocal agreement may also provide a method or formula equitably providing for and allocating revenues derived from a federal or state grant or loan, or from a gift, bequest, grant, or loan from a private source. The interlocal agreement may also provide for a method or formula for equitably allocating and financing the capital and operating costs, including payments to reserve funds authorized by law and payments of principal and interest on obligations. Each method or formula shall be established by the participating parties to the interlocal agreement on a ratio of full valuation of real property, on the basis of the amount of services rendered or to be rendered, on the basis of benefits received or conferred or to be received or conferred, or on any other equitable basis, including the levying of taxes or assessments on the entire area serviced by the parties to the interlocal agreement, subject to such limitations as may be contained in the constitution and statutes of this state, to pay those capital and operating costs.

(g) The public agency that will function as the employer of personnel

participating party to the interlocal agreement.

(r) The manner of investing surplus funds or proceeds of grants, gifts, or bequests to the parties to the interlocal agreement under the control of a legal entity created under section 7.

(s) Any other necessary and proper matters agreed upon by the participating public agencies.

(2) The public agencies that are parties to a contract entered into pursuant to this act have the responsibility, authority, and right to manage and direct on behalf of the public the functions or services performed or exercised to the extent provided in the contract.

(3) The contents or language of a contract for a joint exercise of power under this act shall be a permissive subject of collective bargaining between a public agency and a bargaining representative of its employees. If a public agency and a bargaining representative of its employees engage in collective bargaining before the contract for a joint exercise of power is approved and that public agency and that bargaining representative reach an agreement on issues that would obligate the public agency that will function as an employer in the joint exercise of power, the contract for that joint exercise of power shall include those obligations.

(4) Nothing in this act creates an employment relationship between the existing employees of a public agency and the proposed joint exercise of power.

(5) A joint exercise of power is effective through its contract at least 180 days before the actual transfer of functions or services. Before the effective date of the joint exercise of power, the public agencies that are parties to the contract shall affirm in writing to the joint exercise of power those employees who will be transferred to the joint exercise of power.

(6) If employees who are transferred to the joint exercise of power are represented by a labor organization, those employees are subject to their previous terms and conditions of employment until those terms and conditions of employment are modified in accordance with 1947 PA 336, MCL 423.201 to 423.217, or for 6 months after the transfer to the joint exercise of power, whichever is earlier. Negotiations on a collective bargaining agreement with a joint exercise of power shall begin no later than 180 days before the date the employees transfer to the joint exercise of power.

(7) Subject to subsection (8), a representative of the employees or group of employees in a public agency who previously represented or was entitled to represent the employees or group of employees in a public agency under 1947 PA 336, MCL 423.201 to 423.217, shall continue to represent the employees or group of employees after those employees or group of employees are transferred to the joint exercise of power.

(8) This section does not limit the rights of employees, under applicable law, to assert that a bargaining representative protected by subsection (7) is no longer their representative. The employees of the joint exercise of power are eligible as of the day the joint exercise of power becomes effective through its contract to choose their representative under 1947 PA 336, MCL 423.201 to 423.217. This subsection does not extend the time limits as provided in subsection (5).

(9) If multiple labor organizations assert the right to represent all or part of the workforce of the joint exercise of power or where a substantial portion of the transferred employees were not previously represented, in the absence of a voluntary mutual agreement, at the request of any party or on the initiative of the Michigan employment relations commission