

HOUSE SUBSTITUTE FOR 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

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 <<TO THE EXTENT  
11 PROVIDED IN>>  
12 THE CONTRACT.

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

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

<<(5) A JOINT SYSTEM IS EFFECTIVE THROUGH ITS CONTRACT AT LEAST  
180 DAYS BEFORE THE ACTUAL TRANSFER OF FUNCTIONS OR RESPONSIBILITIES.  
BEFORE THE JOINT SYSTEM'S EFFECTIVE DATE, THE POLITICAL SUBDIVISIONS  
THAT ARE PARTIES TO A CONTRACT SHALL AFFIRM IN WRITING TO THE JOINT  
SYSTEM THOSE EMPLOYEES WHO WILL BE TRANSFERRED TO THE JOINT SYSTEM.

(6) IF EMPLOYEES WHO ARE TRANSFERRED TO THE JOINT SYSTEM ARE  
REPRESENTED BY A LABOR ORGANIZATION, THOSE EMPLOYEES ARE SUBJECT TO

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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 SYSTEM, WHICHEVER IS EARLIER. NEGOTIATIONS ON A COLLECTIVE BARGAINING AGREEMENT WITH A JOINT SYSTEM SHALL BEGIN NO LATER THAN 180 DAYS BEFORE THE DATE THE EMPLOYEES TRANSFER TO THE JOINT SYSTEM.

(7) SUBJECT TO SUBSECTION (8), A REPRESENTATIVE OF THE EMPLOYEES OR GROUP OF EMPLOYEES IN A POLITICAL SUBDIVISION WHO PREVIOUSLY REPRESENTED OR WAS ENTITLED TO REPRESENT THE EMPLOYEES OR GROUP OF EMPLOYEES IN A POLITICAL SUBDIVISION 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 SYSTEM.

(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 SYSTEM ARE ELIGIBLE AS OF THE DAY THE JOINT SYSTEM 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 JOINT SYSTEM'S WORKFORCE 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, THE MICHIGAN EMPLOYMENT RELATIONS COMMISSION SHALL CONDUCT A REPRESENTATION ELECTION.

(10) IN THE ABSENCE OF A VOLUNTARY MUTUAL AGREEMENT, THE JOINT SYSTEM'S WORKFORCE SHALL BE MERGED BY USING A SINGLE SENIORITY LIST FOR EACH OF THE SAME OR SIMILAR CLASSIFICATIONS. THE SINGLE SENIORITY LIST SHALL BE COMPOSED OF ALL EMPLOYEES FROM EACH POLITICAL SUBDIVISION EMPLOYED OR HAVING RECALL RIGHTS ON THE DATE OF TRANSFER AND SHALL BE USED FOR PURPOSES THAT INCLUDE, BUT ARE NOT LIMITED TO, INITIAL ASSIGNMENTS, LAYOFFS, RECALLS, AND JOB BIDDING. DISPUTES CONCERNING THE SINGLE SENIORITY LIST OR USE OF THE SINGLE SENIORITY LIST SHALL BE HEARD BY A SINGLE ARBITRATOR APPOINTED BY THE MICHIGAN EMPLOYMENT RELATIONS COMMISSION.

(11) 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.>>