

**SUBSTITUTE FOR
SENATE BILL NO. 1085**

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. 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:

(i) ~~Such~~**THE** employees as are necessary for the operation thereof 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~~**THE** 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~~**THAT** transfer be placed in any worse position **UNTIL A NEW LABOR AGREEMENT IS IN PLACE** with respect to ~~workmen's~~**WORKER'S** compensation, pension, seniority, wages, sick leave, vacation, health and welfare insurance, or any other benefits that he **OR SHE** enjoyed as an employee of ~~such~~**THE** acquired system.

(iii) NOTHING IN THIS ACT REQUIRES THAT THE POLITICAL SUBDIVISION PAY TO EMPLOYEES THE HIGHEST WAGES AND BENEFITS

1 PREVIOUSLY PAID TO ANY OF THE EMPLOYEES OR THEIR PREEXISTING
2 BARGAINING UNITS.

3 (iv) NOTWITHSTANDING SUBPARAGRAPH (iii) , ALL EXISTING AND EXPIRED
4 LABOR CONTRACTS WITH AN ACQUIRED SYSTEM SHALL BE ASSUMED BY THE
5 POLITICAL SUBDIVISION AND REMAIN IN EFFECT UNTIL A NEW LABOR
6 AGREEMENT IS IN PLACE.

7 (e) The manner in which any real property, facilities,
8 equipment, or other personal property required in the execution of
9 the contract shall be transferred, sold, or otherwise disposed of
10 between the contracting parties.

11 (f) The method of financing to be used and the amount to be
12 paid by each of the participating units in relation to the
13 undertaking involved.

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