

MUNICIPAL PARTNERSHIP ACT

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Senate Bills 8 & 9 as passed by the Senate

Sponsor: Sen. Mark C. Jansen

House Committee: Local, Intergovernmental, and Regional Affairs

Senate Committee: Reforms, Restructuring, and Reinventing

Complete to 6-27-11

A SUMMARY OF SENATE BILLS 8 & 9 AS PASSED BY THE SENATE 6-22-11

The bills would create a new act to be known as the Municipal Partnership Act under which local units of government could undertake joint endeavors. The new act is contained in Senate Bill 8 and specifies prohibited and permissive topics for collective bargaining. Senate Bill 8 is tie-barred to Senate Bill 9, which would amend the Public Employment Relations Act in order to ensure that PERA (and other acts) fully complied with the new Municipal Partnership Act. Consequently, Senate Bill 8 could not go into effect unless Senate Bill 9 is also enacted into law.

Further, Senate Bill 9 (S-1) is tie-barred to Senate Bill 8 (S-5), and to House Bills 4309, 4311, and 4312, so that it could not go into effect unless those bills are also enacted into law.

A description of each bill follows.

Senate Bill 8 (S-5) would create the "Municipal Partnership Act" to authorize two or more local governments, or one or more local governments and a public agency, to enter into a contract to form a joint endeavor that could exercise the functions of the local governments or public agency. ("Local government" would mean a county, city, village, or township. "Public agency" is defined later in the summary.) The bill also would:

- Describe provisions that the contract could contain, including the entity that would function as the employer of personnel needed for the joint endeavor, and provisions for an authority.
- Allow a joint endeavor to levy up to five mills with voter approval.
- Allow a party to the contract to use tax revenue dedicated to a function or service, to pay for the exercise or performance of that function or service under the contract.
- Identify prohibited subjects of collective bargaining between a local government and a bargaining representative of its employees.
- Specify that the proposed act would control over any conflicting statute, rule, charter, or ordinance.
- Prohibit a contract entered into under the new act from being subject to referendum under any local charter provision or local ordinance.

- Specify that nothing in the act would create an employment relationship between the existing employees of a local government or public agency and a proposed joint endeavor.

Under the bill, the following topics would be "prohibited subjects" during collective bargaining:

- a decision as to whether a local government would enter into a contract for a joint endeavor for one or more functions or services or in connection with one or more functions or services;
- the procedures for obtaining the contract; and
- the identities of the other parties to the contract.

The bill specifies that the contents or language of a contract for a joint endeavor would be a "permissive" subject of collective bargaining. If a local government and a bargaining representative engaged in collective bargaining before the contract for a joint endeavor was approved, and the parties reached an agreement on issues that would obligate an entity that would function as an employer in the joint endeavor, then the contract for the joint endeavor would have to include those obligations. The bill also specifies that nothing in the new act relieves a local government of the duty to collectively bargain with its employees over the effect of the joint endeavor on its employees.

The bill would define "public agency" as the state, any department or agency of the state, a single-purpose or multi-purpose public body corporate formed under a law other than the proposed act, or an Indian tribe recognized by the federal government before 2000 that exercises governmental authority over land within the state.

Senate Bill 9 (S-1) would amend the Public Employment Relations Act (MCL 423.201 to 423.217) to state that the provisions of the PERA would be subject to all of the following: (a) the Municipal Partnership Act (proposed in Senate Bill 8), (b) Public Act 8 of 1967 (Ex Sess), MCL 124.531 to 124.536, (c) The Urban Cooperation Act of 1967, Public Act 7 of 1967 (Ex Sess), MCL 124.501 to 124.512, and (d) Public Act 57 of 1988, MCL 124.601 to 124.614.

FISCAL IMPACT:

As written, the bill would have an indeterminate impact on state and local revenues and costs. To the extent that the additional five mills were approved by voters, revenue for the joint endeavor would increase.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.