

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

124.505a Interlocal agreement for sharing of revenue; contents; decision to enter into agreement; public hearing; referendum; petition; assessment, levy, collection, and distribution of taxes; public policy.

Sec. 5a. (1) Upon approval of the legislative body of each contracting local governmental unit, 2 or more local governmental units that levy a property tax under the general property tax act, Act No. 206 of the Public Acts of 1893, being sections 211.1 to 211.157 of the Michigan Compiled Laws, may enter into an interlocal agreement for the sharing of all or a portion of revenue derived by and for the benefit of a local governmental unit entering into that agreement, which revenue results from the levy of general ad valorem property taxes or specific taxes levied in lieu of general ad valorem property taxes upon any property.

(2) An interlocal agreement under this section may include all necessary and proper matters and shall specify at least all of the following:

(a) The duration of the agreement and the method by which the agreement may be rescinded or terminated by a contracting local governmental unit before the stated date of termination.

(b) A description of the property upon which the taxes to be shared are levied, expressed in terms of type of property or location of property, including a parcel identification number, if any.

(c) The formula or formulas for sharing the tax revenue to be shared.

(d) A schedule and method of distribution of the shared tax revenue.

(e) That the agreement may be terminated or rescinded by a referendum of the residents of a local governmental unit that is a party to the agreement not more than 45 days after the approval of the agreement by the governing body of the local governmental unit.

(3) A decision to enter into an agreement under this section shall be made by a majority vote of the members elected and serving on the legislative body of each affected local governmental unit. The legislative body of each local governmental unit affected by a proposed interlocal agreement under this section shall hold at least 1 public hearing before entering into an agreement under this section. Notice of the hearing shall be given in the same manner provided by the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws.

(4) If within 45 days of the meeting at which an interlocal agreement is approved by a governmental unit under subsection (3) a petition is signed by a minimum of 8% of the registered electors of that local governmental unit voting in the last general election before the adoption of the agreement, a referendum shall be held in that local governmental unit at the next regularly scheduled election or at a special election held for this purpose. If a majority of the electors of the local governmental unit voting on the agreement approve the agreement, the local governmental unit may enter into the agreement. If a petition is not filed as provided in this section, the local governmental unit may enter into the interlocal agreement.

(5) The assessment, levy, collection, and distribution of taxes shall be in accordance with Act No. 206 of the Public Acts of 1893 and the statutes governing specific taxes levied in lieu of general ad valorem property taxes. The public policy of this state is for local governmental units to avoid entering into an interlocal agreement under this section if that interlocal agreement has the effect of transferring employment from 1 or more local governmental units in this state to 1 or more of the local governmental units entering into the agreement.

History: Add. 1987, Act 286, Imd. Eff. Jan. 6, 1988;—Am. 1995, Act 108, Imd. Eff. June 23, 1995.

Compiler's note: Section 2 of Act 286 of 1987 provides: "An interlocal agreement for an authorized publicly-owned undertaking that is executed before the effective date of this amendatory act and that includes in its provisions a method or formula for equitably providing for and allocating revenues as authorized by section 5 of the urban cooperation act of 1967, Act No. 7 of the Public Acts of the Extra Session of 1967, being section 124.505 of the Michigan Compiled Laws, is validated and is not affected by this amendatory act."

Section 2 of Act 108 of 1995 provides: "An interlocal agreement for a publicly-authorized undertaking that is executed before the effective date of this amendatory act and that includes in its provisions a method or formula for equitably providing for and allocating revenues as authorized by section 5 or 5a of the urban cooperation act of 1967, Act No. 7 of the Public Acts of the Extra Session of 1967, being sections 124.505 and 124.505a of the Michigan Compiled Laws, is validated and is not affected by this amendatory act."