

URBAN COOPERATION ACT OF 1967

Act 7 of 1967 (Ex. Sess.)

AN ACT to provide for interlocal public agency agreements; to provide standards for those agreements and for the filing and status of those agreements; to permit the allocation of certain taxes or money received from tax increment financing plans as revenues; to permit tax sharing; to provide for the imposition of certain surcharges; to provide for additional approval for those agreements; and to prescribe penalties and provide remedies.

History: 1967, Ex. Sess., Act 7, Eff. Mar. 22, 1968 ;-- Am. 1981, Act 17, Imd. Eff. Apr. 29, 1981 ;-- Am. 1987, Act 286, Imd. Eff. Jan. 6, 1988 ;-- Am. 1989, Act 138, Imd. Eff. June 29, 1989 ;-- Am. 1998, Act 169, Eff. Mar. 23, 1999

Section 124.501

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

124.501 Urban cooperation act; short title.

Sec. 1.

This act shall be known and may be cited as the "urban cooperation act of 1967".

History: 1967, Ex. Sess., Act 7, Eff. Mar. 22, 1968

124.502 Definitions.

Sec. 2.

As used in this act:

- (a) "Interlocal agreement" means an agreement entered into under this act.
- (b) "Local governmental unit" means a county, city, village, township, or charter township.
- (c) "Province" means a province of Canada.
- (d) "Property" means any real or personal property, as described in section 34c of the general property tax act, 1893 PA 206, MCL 211.34c.

(e) "Public agency" means a political subdivision of this state or of another state of the United States or of Canada, including, but not limited to, a state government; a county, city, village, township, charter township, school district, single or multipurpose special district, or single or multipurpose public authority; a provincial government, metropolitan government, borough, or other political subdivision of Canada; an agency of the United States government; or a similar entity of any other states of the United States and of Canada. As used in this subdivision, agency of the United States government includes an Indian tribe recognized by the federal government before 2000 that exercises governmental authority over land within this state, except that this act or any intergovernmental agreement entered into under this act shall not authorize the approval of a class III gaming compact negotiated under the Indian gaming regulatory act, Public Law 100-497, 102 Stat. 2467.

(f) "State" means a state of the United States.

History: 1967, Ex. Sess., Act 7, Eff. Mar. 22, 1968 ;-- Am. 1987, Act 286, Imd. Eff. Jan. 6, 1988 ;-- Am. 1995, Act 108, Imd. Eff. June 23, 1995 ;-- Am. 2002, Act 439, Imd. Eff. June 13, 2002

Compiler's Notes: 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."

124.503 Conflicting statutory provisions.

Sec. 3.

If any provision of this act conflicts with any other statute of this state providing for the authorization or performance of joint or cooperative agreements or undertakings between public agencies of this state or between public agencies of this state and public agencies of other states or of Canada, the provisions of the other statute shall control.

History: 1967, Ex. Sess., Act 7, Eff. Mar. 22, 1968 ;-- Am. 2002, Act 439, Imd. Eff. June 13, 2002

124.504 Joint exercise of powers.

Sec. 4.

A public agency of this state may exercise jointly with any other public agency of this state, with a public agency of any other state of the United States, with a public agency of Canada, or with any public agency of the United States government any power, privilege, or authority that the agencies share in common and that each might exercise separately.

History: 1967, Ex. Sess., Act 7, Eff. Mar. 22, 1968 ;-- Am. 2002, Act 439, Imd. Eff. June 13, 2002

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

Sec. 5.

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 or administrative entity 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 or administrative 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 manner of employing, engaging, compensating, transferring, or discharging necessary personnel, subject both to the provisions of applicable civil service and merit systems, and the following restrictions:

(i) The employees who are necessary for the operation of an undertaking created by an interlocal agreement, 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 subdivisions to which the functions or responsibilities have been transferred shall assume the obligation of any transportation 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) An employee who is transferred to a position with the political subdivision shall not, by reason of the transfer, be placed in any worse position with respect to worker's compensation, pension, seniority, wages, sick leave, vacation, health and welfare insurance, or any other benefits that the employee enjoyed as an employee of the acquired system.

(h) The fixing and collecting of charges, rates, rents, fees, loan repayments, loan interest rates, or other charges on loans, where appropriate, and the making and promulgation of necessary rules and regulations and their enforcement by or with the assistance of the participating parties to the interlocal agreement.

(i) The manner in which purchases shall be made and contracts entered into.

(j) The acquisition, ownership, custody, operation, maintenance, lease, or sale of real or personal property.

(k) The disposition, division, or distribution of any property acquired through the execution of such interlocal agreement.

(I) The manner in which, after the completion of the purpose of the interlocal agreement, any surplus money shall be returned.

(m) The acceptance of gifts, grants, assistance funds, or bequests and the manner in which those gifts, grants, assistance funds, or bequests may be used for the purpose set forth in the interlocal agreement.

(n) The making of claims for federal or state aid payable to the individual or several participants on account of the execution of the interlocal agreement.

(o) The manner of responding for any liabilities that might be incurred through performance of the interlocal agreement and insuring against any such liability.

(p) The adjudication of disputes or disagreements, the effects of failure of participating parties to pay their shares of the costs and expenses, and the rights of the other participants in such cases.

(q) The manner in which strict accountability of all funds shall be provided for and the manner in which reports, including an annual independent audit, of all receipts and disbursements shall be prepared and presented to each 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 or administrative entity created under section 7.

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

History: 1967, Ex. Sess., Act 7, Eff. Mar. 22, 1968 ;-- Am. 1981, Act 17, Imd. Eff. Apr. 29, 1981 ;-- Am. 1985, Act 10, Imd. Eff. Apr. 15, 1985

Compiler's Notes: Section 2 of Act 17 of 1981 provides: "This act is intended to be curative in nature, and all interlocal agreements which have been approved under section 10 of Act No. 7 of the Public Acts of the Extra Session of 1967, being section 124.510 of the Michigan Compiled Laws, prior to the effective date of this amendatory act, are hereby validated."

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 Notes: 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."

124.505b Violation of §§ 168.1 to 168.992 applicable to petitions; penalties.

Sec. 5b.

A petition under section 5a or 8a, including the circulation and signing of the petition, is subject to section 488 of the Michigan election law, 1954 PA 116, MCL 168.488. A person who violates a provision of the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992, applicable to a petition described in this section is subject to the penalties prescribed for that violation in the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

124.506 Execution of agreement; provision of services; exchange of services.

Sec. 6.

An interlocal agreement may provide for 1 or more parties to the agreement to administer or execute the agreement. One or more parties to the agreement may agree to provide all or a part of the services set forth in the agreement in the manner provided in the agreement. The parties may provide for the mutual exchange of services without payment of any contribution other than such services.

History: 1967, Ex. Sess., Act 7, Eff. Mar. 22, 1968

124.507 Administrative commission, board, or council; public body, corporate or politic; appointment and removal of members; operation for profit prohibited; earnings; title to property; powers; authorization and power of separate legal or administrative entity; bonds or notes.

Sec. 7.

(1) An interlocal agreement may provide for a separate legal or administrative entity to administer or execute the agreement which may be

a commission, board, or council constituted pursuant to the agreement. The entity shall be a public body, corporate or politic for the purposes of this act. The governing body of each public agency shall appoint a member of the commission, board, or council constituted pursuant to the agreement. That member may be removed by the appointing governing body at will. The administrative or legal entity shall not be operated for profit. No part of its earnings shall inure to the benefit of a person other than the public agencies that created it. Upon termination of the interlocal agreement, title to all property owned by the entity shall vest in the public agencies that incorporated it.

(2) A separate legal or administrative entity created by an interlocal agreement shall possess the common power specified in the agreement and may exercise it in the manner or according to the method provided in the agreement. The entity may be, in addition to its other powers, authorized in its own name to make and enter into contracts, to employ agencies or employees, to acquire, construct, manage, maintain, or operate buildings, works, or improvements, to acquire, hold, or dispose of property, to incur debts, liabilities, or obligations that, except as expressly authorized by the parties, do not constitute the debts, liabilities, or obligations of any of the parties to the agreement, to cooperate with a public agency, an agency or instrumentality of that public agency, or another legal or administrative entity created by that public agency under this act, to make loans from the proceeds of gifts, grants, assistance funds, or bequests pursuant to the terms of the interlocal agreement creating the entity, and to form other entities necessary to further the purpose of the interlocal agreement. The entity may sue and be sued in its own name.

(3) No separate legal or administrative entity created by an interlocal agreement shall possess the power or authority to levy any type of tax within the boundaries of any governmental unit participating in the interlocal agreement, or to issue any type of bond in its own name, or to in any way indebted a governmental unit participating in the interlocal agreement.

(4) A separate legal or administrative entity created by an interlocal agreement may be authorized by the interlocal agreement to borrow money and to issue bonds or notes in its name for local public improvements or for economic development purposes as provided in the interlocal agreement.

(5) The entity created by the interlocal agreement shall not borrow money or issue bonds or notes for a sum that, together with the total outstanding bonded indebtedness of the entity, exceeds 2 mills of the taxable value of the taxable property within the local governmental units participating in the interlocal agreement as determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(6) Bonds or notes issued under this act are a debt of the entity created by the interlocal agreement and not of the participating local governmental units.

(7) Bonds or notes issued under this act are declared to be issued for an essential public and governmental purpose and, together with interest on those bonds or notes and income from those bonds or notes, are exempt from all taxes.

(8) Bonds or notes issued under this act are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

History: 1967, Ex. Sess., Act 7, Eff. Mar. 22, 1968 ;-- Am. 1985, Act 10, Imd. Eff. Apr. 15, 1985 ;-- Am. 2002, Act 445, Imd. Eff. June 17, 2002

124.508 Interlocal agreement for acquisition, construction, or operation of revenue-producing facility; provisions; payments, repayments, or returns.

Sec. 8.

If the purpose set forth in an interlocal agreement is the acquisition, construction, or operation of a revenue-producing facility, the agreement may provide for the repayment or return to the parties of all or any part of the contributions, payments, or advances made by the parties pursuant to section 5, and may provide for payment to the parties of any additional sum or sums derived from the revenues of the facility irrespective of whether such contributions, payments, or advances are required to be paid, repaid, or returned from revenues of the facility. Payments, repayments, or returns shall be made at any time and in the manner specified in the agreement, and may be made at any time on or prior to the rescission or termination of the agreement, or completion of the purposes of the agreement.

History: 1967, Ex. Sess., Act 7, Eff. Mar. 22, 1968 ;-- Am. 1981, Act 17, Imd. Eff. Apr. 29, 1981

Compiler's Notes: Section 2 of Act 17 of 1981 provides: "This act is intended to be curative in nature and all interlocal agreements which have been approved under section 10 of Act No. 7 of the Public Acts of the Extra Session of 1967, being section 124.510 of the Michigan Compiled Laws, prior to the effective date of this amendment." **124.508a Surcharge on households for waste reduction programs and collection of materials for recycling or composting.**

Sec. 8a.

(1) Subject to subsection (3), a county, by resolution of the county board of commissioners of the county, or the agency responsible for preparing the solid waste management plan for counties with a population of 690,000 or more as certified by the 1980 census that do not operate under 1973 PA 139, MCL 45.551 to 45.573, or 1966 PA 293, MCL 45.501 to 45.521, as provided in part 115 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11501 to 324.11550, may impose a surcharge on households within the county of not more than \$2.00 per month or \$25.00 per year per household for waste reduction programs and for the collection of consumer source separated materials for recycling or composting including, but not limited to, recyclable materials, as defined in part 115 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11501 to 324.11550, household hazardous wastes, tires, batteries, and yard clippings.

(2) Subject to subsection (4) and if approved by the voters of a participating unit of government, a county may charge an amount greater than allowed under subsection (1) but not more than \$4.00 per month or \$50.00 per year per household, for the

purposes described under subsection (1). The county may include commercial businesses as entities to be subject to the surcharge approved by the voters.

(3) A county or agency shall defer the imposition and collection of a surcharge imposed under subsection (1) in a local unit of government within that county until the county or agency has entered into an interlocal agreement under this act relating to the collection and disposition of the surcharge with the local unit of government. A city in a county in which the agency described in subsection (1) prepared the update to the county's solid waste management plan as provided in part 115 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11501 to 324.11550, shall not enter into an interlocal agreement if the city has levied a tax of 3 mills on real property within the city for the disposal or management of solid waste in that city. Petitions for a referendum election on the question of entering an interlocal agreement may be filed with the clerk of the local unit of government no later than 6 months following adoption of a resolution of the county or agency to impose the surcharge or 6 months following any increase in the surcharge. Upon petition of 10% of the qualified electors of a local unit of government voting in the last general election before the adoption of the interlocal agreement by the governing body, the local unit of government shall hold a referendum on whether to reject the entrance into or terminate an interlocal agreement.

(4) An election allowed under subsection (2) shall not be held unless the county board of commissioners passes a resolution authorizing the election. The resolution shall include all of the following:

(a) The approval to hold the election.

(b) The name of the individual designated to negotiate the interlocal agreement between the municipalities and townships within the county.

(c) A date by which each municipality and township within the county shall elect to participate in the interlocal agreement and authorize an election under this section.

(d) The date for the election.

(e) The amount of the proposed surcharge.

(f) Whether commercial businesses will be subject to the proposed surcharge.

(5) The initial authorization under subsection (4) shall be for 5 years. Any subsequent authorizations shall be for a period of not less than 10 years.

(6) With the approval of the county, a municipality or township that is not part of an interlocal agreement established under this section may become subject to the agreement by otherwise complying with the requirements of this section.

(7) With the approval of the county and after providing notice to the municipality or township in which the business is located, a business not subject to this section may agree to be part of an interlocal agreement established under this section and shall be subject to the terms and conditions of the agreement.

(8) The surcharge approved under subsection (2) shall not apply to vacant land, public-utility-owned land, rights-of-way, and easements that do not generate solid waste.

(9) A surcharge approved under subsection (2) is a mandatory charge and may be collected by any reasonable billing method approved by the county, including, but not limited to, as part of billings for property taxes, water and sewage usage, or other services provided by the county to households and commercial businesses within the county.

(10) As used in this section:

(a) "Agency" does not include the department of environmental quality.

(b) "Commercial businesses" means businesses engaged in the sale, lease, or exchange of goods, services, real property, or any other thing of value. Commercial businesses do not include wholesale businesses engaged in the manufacturing of goods or materials or the processing of goods or materials.

History: Add. 1989, Act 138, Imd. Eff. June 29, 1989 ;-- Am. 1996, Act 45, Imd. Eff. Feb. 26, 1996 ;-- Am. 2005, Act 69, Imd. Eff. July 11, 2005

datory act, are hereby validated."

124.509 Privileges, immunities, and benefits of officers, agents, or employees; obligations and responsibilities of public agencies.

Sec. 9.

(1) All of the privileges and immunities from liability, and exemptions from laws, ordinances and rules, and all pensions, relief, disability, workmen's compensation and other benefits which apply to the activity of officers, agency, or employees of any public agents or employees of any public agency when performing their respective functions within the territorial limits for their respective agencies shall apply to the same degree and extent to the performance of such functions and duties of such officers, agents or employees extraterritorially under the provisions of any such interlocal agreement.

(2) An interlocal agreement does not relieve a public agency of any obligation or responsibility imposed upon it by law except to the extent of actual and timely performance thereof by 1 or more of the parties to the agreement or any legal or administrative entity created by the agreement in which case the performance may be offered in satisfaction of the obligation or responsibility.

History: 1967, Ex. Sess., Act 7, Eff. Mar. 22, 1968

124.510 Approval of certain agreements by governor; exclusions from funds of state; filing of interlocal agreement.

Sec. 10.

(1) **If funds of this state are to be allocated to carry out, in whole or in part, an agreement under this act or if this state**, an agency of the United States government, any other state or political subdivision of any other state, or Canada or a political subdivision of Canada is a party to an agreement under this act, an **interlocal agreement, prior to and as a condition precedent to its effectiveness, shall be submitted to the governor who shall determine whether the agreement is in proper form and compatible with the laws of this state.**

(2) For the purposes of this section, funds of this state do not include grants, gifts, bequests, or assistance funds given to a public agency that is a party to an interlocal agreement if the purpose of that agreement is to administer those grants, gifts, bequests, or assistance funds according to their terms or to combine the proceeds of the parties' grants, gifts, bequests, or assistance funds for investment purposes.

(3) The governor shall approve an agreement submitted to him or her unless the governor finds that the agreement does not meet the conditions set forth in this act or is not compatible with the laws of this state. If the governor so finds, the governor shall detail in writing addressed to the governing bodies of the public agencies concerned within 90 days the specific respects in which the proposed interlocal agreement fails to meet the requirements of law. The governing bodies of the public agencies concerned shall have 60 days to resubmit the revised interlocal agreement to the governor, who shall approve or disapprove the agreement within 90 days.

(4) Prior to its effectiveness, an interlocal agreement shall be filed with the county clerk of each county where a party to the agreement is located and with the secretary of state.

History: 1967, Ex. Sess., Act 7, Eff. Mar. 22, 1968 ;-- Am. 1985, Act 10, Imd. Eff. Apr. 15, 1985 ;-- Am. 2002, Act 439, Imd. Eff. June 13, 2002

124.511 Provision of services or facilities by state officers or agencies; submission of agreement for approval.

Sec. 11.

If an interlocal agreement deals in whole or in part with the provision of services or facilities as to which an officer or agency of the state has constitutional or statutory responsibilities and powers of control, the agreement, as a condition precedent to its effectiveness, shall be submitted to the state officer or agency having such responsibilities and powers of control and shall be approved or disapproved by him or it as to all matters under his or its jurisdiction in the same manner and subject to the same requirements governing the action of the governor pursuant to section 10. This requirement of submission and approval is in addition to and not in substitution for the requirement of approval by the attorney general.

History: 1967, Ex. Sess., Act 7, Eff. Mar. 22, 1968

124.512 Appropriation of funds by public agency; sale, lease, or gift of personnel, services, facilities; receipt of grants-in-aid.

Sec. 12.

(1) A public agency entering into an interlocal agreement may appropriate funds and may sell, lease, give, or otherwise supply any party designated to operate the joint or cooperative undertaking any personnel, services, facilities, property, franchises, or funds for the undertaking that may be within its legal power to furnish.

(2) A public agency entering into an interlocal agreement may receive grants-in-aid or other assistance funds from the United States government, this state, or Canada for use in carrying out the purposes of the interlocal agreement.

History: 1967, Ex. Sess., Act 7, Eff. Mar. 22, 1968 ;-- Am. 2002, Act 439, Imd. Eff. June 13, 2002

**INTERGOVERNMENTAL CONDITIONAL TRANSFER OF PROPERTY BY
CONTRACT**

Act 425 of 1984

AN ACT to permit the conditional transfer of property by contract between certain local units of government; to provide for permissive and mandatory provisions in the contract; to provide for certain conditions upon termination, expiration, or nonrenewal of the contract; and to prescribe penalties and provide remedies.

History: 1984, Act 425, Eff. Mar. 29, 1985 ;-- Am. 1998, Act 192, Eff. Mar. 23, 1999

124.21 Definitions.

Sec. 1.

As used in this act:

(a) "Economic development project" means land and existing or planned improvements suitable for use by an industrial or commercial enterprise, or housing development, or the protection of the environment, including, but not limited to, groundwater or surface water. Economic development project includes necessary buildings, improvements, or structures suitable for and intended for or incidental to use as an industrial or commercial enterprise or housing development; and includes industrial park or industrial site improvements and port improvements or housing development incidental to an industrial or commercial enterprise; and includes the machinery, furnishings, and equipment necessary, suitable, intended for, or incidental to a commercial, industrial, or residential use in connection with the buildings or structures.

(b) "Local unit" means a city, township, or village.

History: 1984, Act 425, Eff. Mar. 29, 1985 ;-- Am. 1990, Act 22, Imd. Eff. Mar. 6, 1990

124.22 Conditional transfer of property; period; written contract; renewal.

Sec. 2.

(1) Two or more local units may conditionally transfer property for a period of not more than 50 years for the purpose of an economic development project. A conditional transfer of property shall be controlled by a written contract agreed to by the affected local units.

(2) A contract under this act may be renewed for additional periods of not to exceed 50 years upon approval of each legislative body of the affected local units.

History: 1984, Act 425, Eff. Mar. 29, 1985

**INTERGOVERNMENTAL TRANSFERS OF FUNCTIONS AND RESPONSIBILITIES
(EXCERPT)
Act 8 of 1967 (Ex. Sess.)**

124.531 Definitions.

Sec. 1.

As used in this act:

(a) "Governing body" means the board, council or body in which the legislative powers of a political subdivision are vested.

(b) "Political subdivision" means a city, village, other incorporated political subdivision, county, school district, community college, intermediate school district, township, charter township, special district or authority.

History: 1967, Ex. Sess., Act 8, Eff. Mar. 22, 1968

124.532 Authority to contract for transfer of functions or responsibilities.

Sec. 2.

Two or more political subdivisions are authorized to enter into a contract with each other providing for the transfer of functions or responsibilities to one another or any combination thereof upon the consent of each political subdivision involved.

History: 1967, Ex. Sess., Act 8, Eff. Mar. 22, 1968

124.533 Valid contracts; conditions.

Sec. 3.

To enter into a valid contract:

(a) The contract shall be approved by concurrent resolution of the governing body of each political subdivision.

(b) The terms of the contract shall be entered in the journal or minutes of proceedings of the governing body of each political subdivision.

(c) A copy of the contract shall be filed with the secretary of state prior to its effective date.

History: 1967, Ex. Sess., Act 8, Eff. Mar. 22, 1968

124.534 Contents of contracts.

Sec. 4.

A contract shall include:

(a) A description of the functions or responsibilities to be transferred.

(b) The effective date of the contract.

(c) The term of operation under the contract.

(d) The manner in which the affected employees, if any, of the participating political subdivisions shall be transferred, reassigned or otherwise treated subject to the following:

(i) Such 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 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.

(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 between the contracting parties.

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

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

History: 1967, Ex. Sess., Act 8, Eff. Mar. 22, 1968

124.535 Joint board or commission; establishment; duty; membership.

Sec. 5.

A joint board or commission may be established by the political subdivisions involved to supervise the execution of a contract. An officer or employee of the state or a political subdivision or agency thereof, except a member of the legislature, may serve on or with any joint board or commission created by the contract and shall not be required to relinquish his office or employment by reason of such service.

History: 1967, Ex. Sess., Act 8, Eff. Mar. 22, 1968

124.536 Amendment or termination of contract.

Sec. 6.

A contract may be amended by agreement of the parties thereto in the same manner as the original contract was made. A contract may be terminated by joint action of all parties, or by an individual party not less than 1 year after its notice thereof in writing to all other parties.

History: 1967, Ex. Sess., Act 8, Eff. Mar. 22, 1968