The principal statutes whose amendment would better enable greater cooperation and collaboration:

- 1967 PA 7 (Urban Cooperation Act)
- 1967 PA 8 (Intergovernmental Transfer of Functions and Responsibilities Act)
- 1968 PA 57 (Emergency Services Authority Act)
- PERA and 1969 PA 312 (Compulsory Arbitration of Labor Disputes in Police and Fire Departments)
- 1974 PA 115 (Election Law)
- 1974 PA 275 (Home Rule City Act)
- 1971 PA 140 (State Revenue Sharing)
- 1893 PA 206 (General Property Tax Act)
The financial case for the utilization of such agreements is obvious: economies of scale reduce costs without arguably sacrificing the overall scope and quality of services.

- Under Michigan law, local units of government are authorized broadly to enter into one of several forms of general agreements under, inter alia, Act 7 (Urban Cooperation Act) and Act 8 (Intergovernmental Transfers of Functions and Responsibilities Act) of 1967, and specific purpose agreements under, inter alia, Act 57 of 1968 (Emergency Services to Municipalities Act), and Act 292 of 1989 (Metropolitan Councils Act).

- The Citizens Research Council of Michigan, in a 2007 report, details the provisions of no less than 77 Michigan statutes enabling governmental cooperation of some sort.

- Constitutional limitation on local units' power to cooperate: if the objective is to achieve something jointly, in general the thing to be accomplished must be something which each local unit is empowered to accomplish individually.


**Act 7 – Urban Cooperation Act**

- Authorizes public agencies, including cities and townships, to exercise jointly any power or authority which such agencies share in common pursuant to an inter-local agreement which is approved by the respective governing bodies of the participating municipalities.
- Mandates that any agreement for revenue sharing included four provisions covering the duration, method of rescission, description of property to be taxed, formula for revenue sharing and a distribution schedule.
- The inclusion of the nineteen provisions listed in Section 124.505 is permissive.
- Permits the participating agencies to create a separate board or commission to administer the agreement.

**1951 PA 35 (Intergovernmental Contracts)**

- Authorizes municipal corporations to enter into contracts with other municipal corporations 'for the ownership, operation, or performance, jointly, or by any 1 or more on behalf of all, of any property, facility or service which each would have the power to own, operate or perform separately.
- Specifically authorizes a municipal corporation to furnish municipal services outside the corporate limits of the municipal corporation, and to sell and deliver heat, power, and light at wholesale or other than wholesale outside its corporate limits, so long as another utility serving that territory consents to the provision of those services in writing.
- Amended in 1999 to permit municipalities to enter into multiple employer welfare arrangements under chapter 70 of the insurance code of 1956, MCL 500.7001 to 500.7096, for hospital, medical, surgical or dental benefits.
Act 8 – Governmental Transfers of Functions and Responsibilities Act

- Authorizes two or more political subdivisions "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."
- Seven mandatory provisions that must be included in the contract:
  1. "a description of the functions or responsibilities to be transferred;"
  2. "the effective date of the contract;"
  3. "the length of the contract;"
  4. "subject to mandatory limitations set forth in the Act, the manner in which the affected employees, if any, shall be transferred, reassigned or otherwise treated;"
  5. "the manner in which any [assets] required in the execution of the contract are transferred, sold or otherwise disposed of between the governmental units;"
  6. "the financial terms of the agreement; and"
  7. "any other terms necessary to complete the transfer of functions or responsibilities."

The transfer of functions or responsibilities of the political subdivision can not involve the transfer of the legislative power of the governing body of any participating political subdivision. OAG, 1977-78, No 5312, p. 476 (June 13, 1978).

Act 8 only requires the transfer of "employees … necessary for the operation" of the transferred functions and responsibilities (emphasis added).

Act 8 – Governmental Transfers of Functions and Responsibilities Act

- Requires that employees retain all rights and benefits previously held, including all "seniority credits and sick leave, vacation, insurance and pension credits in accordance with the records or labor agreements from the acquired system."
- 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 the terms and conditions of employment.
Act 57 – Emergency Services to Municipalities Act

Two step process to follow:
1) articles of incorporation are adopted by the legislative body of each incorporating municipality; and
2) endorsement of the articles of incorporation by the county executive or chair of the county board of commissioners and county clerk, the mayor and city clerk, the village president and village clerk, or the township supervisors and clerk of the township

As a result of a 2006 amendment, an authority created under Act 57 may also adopt ordinances to collect fees for emergency services, further enhancing the economic benefit of consolidating services under the Act.

Act 292 – Metropolitan Councils Act

In 1989 the Legislature enacted the Metropolitan Councils Act (“MCA”) to permit local units of government in metropolitan statistical areas of less than 1.5 million to join together to form a public authority (a “Metropolitan Area Council” or “MAC”) to provide for nearly all municipal services.

As of June 6, 2000, there are 362 metropolitan statistical areas and 560 micropolitan statistical areas in the United States. 29 metristatistical areas completely in Michigan and two statistical areas crossing the Indiana and Wisconsin borders.

To create a MAC, two or more local units in a metropolitan area must adopt articles of incorporation by “an affirmative vote of a majority of the members elected to and serving on the legislative body of each participating local government unit.”

Once established a MAC may require that each participating unit pay up to “2 mills multiplied by the taxable value of all the real and personal property within that local unit of government.” MCL 124.657.

The statute also permits a MAC to authorize an “ad valorem tax of not to exceed 0.5 mills of the taxable value of the taxable property” within the council area.
Section 23 of the MCA requires that “a public employee whose duties are transferred to a council ... shall be given a position of a comparable description with the council, and shall retain the seniority status and benefit rights of the public employment position held before the transfer.”

Likewise, “the council shall immediately assume and be bound by an existing labor agreement applicable to those powers or duties for the remainder of the term of the labor agreement.” Id.

Act 312 mandates arbitration of interest or contract formation disputes and those arising during collective bargaining negotiations over the terms to be included in a new contract for all public safety employees.

OVERCOMING LEGAL AND PRACTICAL HURDLES TO INTERGOVERNMENTAL COOPERATION
The following language should be added to Section 10 of PERA:
- Nothing herein prevents or limits a public employer from taking actions necessary to enter into an agreement with another public employer, provided that the agreement complies with the requirements set forth in Public Act 7 and 8 of 1967.

Section 3 of Act 312 should be amended to include the following language:
- Arbitration under this Section may not be initiated unless each party previously submitted their last best offer to the mediator.

Section 13 of Act 312 should be amended to include the following language:
- This section is not applicable to the first contract negotiations resulting from the combination, transfer or assumption of functions or responsibilities pursuant to Acts 7 or 8 of 1967, or other applicable law.

Section 8 of Act 312 should be amended as follows:
- At or before the conclusion of the hearing held pursuant to section 6, the arbitration panel shall identify the economic issues in dispute, and shall prescribe a time limit for the parties to submit their last offer of settlement. The arbitration panel shall, at the hearing, establish a time schedule for each party to present its case. All evidence, argument, or other matters presented at the hearing shall be conducted in accordance with the requirements set forth in Public Act 7 and 8 of 1967. The arbitration panel shall also make findings of fact and render a written opinion upon the issues in dispute. The findings and opinion shall be based upon the evidence and argument presented at the hearing and shall be made in accordance with the requirements set forth in Public Act 7 and 8 of 1967.

This section as amended shall be applicable only to arbitration proceedings initiated on or after January 1, 1973.
The addition of the following language to Section 5 of Act 7 and Section 4 of Act 8:

- For purposes of this Act, the transferred employees shall be subject to the terms and conditions set forth in the then existing collective bargaining agreement of the political subdivision to which the functions and responsibilities have been transferred or acquired. All terms and conditions of employment shall be immediately applied and the transferred employee shall obtain all the right and benefits under the collective bargaining agreement as if the employee had been an employee of the political subdivision to which the functions and responsibilities have been transferred or acquired.

Language could be added to Section 10(3) of Act 57:

- When the duties of a municipal emergency service are transferred to an authority, the authority shall assume and be bound by the existing labor agreement applicable to that municipal service of the transferring municipality with the greatest number of employees being transferred to the authority. The authority shall be bound for the remainder of the term of the agreement.

Statutory Changes Not Related to Labor Provisions:

- Lending of Credit
  - The Legislature has never fully implemented this provision. Both Act 7 and Act 8 should be amended to provide for more generous lending of credit among local governments for public purposes.
Election Law Amendments

- Example of such language within Section 951 of the Election Law:
  - Except as provided below, every elective officer in the state, except a judicial officer, is
    subject to recall by the voters of the electoral district in which the officer is elected as
    provided in this chapter. A petition shall not be filed against an officer until the officer
    has actually performed the duties of the office to which elected for a period of 6 months
    during the current term of that office. A petition shall not be filed against an officer
    during the last 6 months of the officer's term of office. A petition may not be filed
    against an officer in respect of actions taken by that officer in his or her official capacity
    pertaining to or furthering a plan of implementation of intergovernmental cooperation or
    consolidation. Any petition filed against an officer within 1 year of an action pertaining
    to or concerning a plan of implementation of intergovernmental cooperation or
    consolidation shall be presumed to file in respect of such action. An officer sought to
    be recalled shall continue to perform duties of the office until the result of the recall
    election is certified.

Statutory Changes Not Related to Labor Provisions

Home Rule City Act - Minimum Staffing Requirements

- Amending section 5 of the Home Rule City Act by adding new
  subsection (j) would accomplish this change:
  - To adopt a charter or an amendment to the charter which contains a
    minimum staffing requirement in respect to city personnel.

Enhanced Revenue Sharing

- Upcoming debate over the reauthorization of state revenue sharing
  provides an opportunity to amend the State Revenue Sharing Act, PA
  1971, No. 140, to include direct financial incentives for cooperation.

Tax Base Sharing

- Tax base sharing could be accomplished by amendments to the
  General Property Tax Act, PA 1893, No. 206, or by a separate act.

Boundaries, Annexation and Consolidation

- Cooperation can be made more difficult by irregular municipal
  boundaries and by annexation strategies. The State Boundary
  Commission Act, PA 1968, No. 191, is a candidate for review in respect
  of streamlining the consolidation process.