

Act No. 108
Public Acts of 1995
Approved by the Governor
June 22, 1995
Filed with the Secretary of State
June 23, 1995

**STATE OF MICHIGAN
88TH LEGISLATURE
REGULAR SESSION OF 1995**

Introduced by Reps. McNutt, Horton, Rhead, Dalman, Cropsey, Jaye, Randall and Llewellyn

ENROLLED HOUSE BILL No. 4658

AN ACT to amend sections 2 and 5a of Act No. 7 of the Public Acts of the Extra Session of 1967, entitled as amended "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; and to provide for additional approval for those agreements," section 2 as amended and section 5a as added by Act No. 286 of the Public Acts of 1987, being sections 124.502 and 124.505a of the Michigan Compiled Laws.

The People of the State of Michigan enact:

Section 1. Sections 2 and 5a of Act No. 7 of the Public Acts of the Extra Session of 1967, section 2 as amended and section 5a as added by Act No. 286 of the Public Acts of 1987, being sections 124.502 and 124.505a of the Michigan Compiled Laws, are amended to read as follows:

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 the Dominion of Canada.
- (d) "Property" means any real or personal property, as described in section 34c of the general property tax act, Act No. 206 of the Public Acts of 1893, being section 211.34c of the Michigan Compiled Laws.
- (e) "Public agency" means a political subdivision of this state or of another state of the United States or of the Dominion of Canada, including, but not limited to, state government; a county, city, village, township, charter township, school district, single or multipurpose special district, or single or multipurpose public authority; provincial government, metropolitan government, borough, or other political subdivision of the Dominion of Canada; an agency of the United States government; or a similar entity of any other states of the United States and of the Dominion of Canada.
- (f) "State" means a state of the United States.

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.

(6) 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.

Section 2. 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.

This act is ordered to take immediate effect.

Clerk of the House of Representatives.

Secretary of the Senate.

Approved -----

Governor.

