§ 137. Termination of agreements with political subdivisions. 1. Upon the failure of any political subdivision to comply substantially with any provision of its agreement or any modification thereof, this article, or the regulations of the director, such agreement may be terminated by the director, consistent with the provisions of the federal social security act. No such termination, except where such termination has been made by the federal secretary, shall be made by the director until after a public hearing upon not less than sixty days' written notice to the political subdivision.

2. Any political subdivision, upon giving such advance written notice as shall be required in its agreement, may terminate the agreement, but such termination shall take effect only after the agreement shall have been in effect for a period of at least seven years and after notice shall have been given to the federal secretary.

3. If any agreement is terminated, either by the director or by the political subdivision, such political subdivision may not again submit an agreement pursuant to this article.