



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 594 (Substitute S-2 as reported)
Sponsor: Senator Mike Shirkey
Committee: Elections and Government Reform

CONTENT

The bill would amend the Urban Cooperation Act to do the following:

- Require a memorandum of understanding (MOU) or memorandum of agreement (MOA) to be submitted to the Governor before it could take effect, if the MOU or MOA were between State departments or between offices within a State department or if it involved the State and either the Federal government or an out-of-State unit of government, including any grant application associated with an MOU or MOA.
- Require the Governor to determine whether an MOU or MOA submitted to him or her was in proper form and compatible with the laws of the State.
- Permit the Governor not to approve an MOU or MOA, including an associated grant application, submitted to him or her.
- Prohibit the Governor from approving an MOU or MOA, including any associated grant application, if it were not in proper form or compatible with the laws of the State.
- Provide that an approved MOU or MOA, including any grant requirements, if intended to be a legally binding contract, would be binding only for the term of office of the Governor who approved it or the term described in the MOU or MOA, whichever was shorter.
- Require an MOU or MOA, including any associated grant application, that was subject to the Governor's approval or that was intended to be a legally binding contract, to be filed with the Secretary of State before it took effect.

"Memorandum of understanding" or "memorandum of agreement" would mean a written statement detailing the understanding of individuals representing parties who enter into certain agreements, and would include certain grant applications involving the State. An MOU or MOA could be preliminary in nature.

The bill would take effect 90 days after enactment.

MCL 124.502 & 124.510

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 3-17-16

Fiscal Analyst: Joe Carrasco