



Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536

## BILL ANALYSIS



Telephone: (517) 373-5383  
Fax: (517) 373-1986

Senate Bill 594 (as introduced 11-3-15)  
Sponsor: Senator Mike Shirkey  
Committee: Elections and Government Reform

Date Completed: 3-2-16

**CONTENT**

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

- **Require a memorandum of understanding (MOU) or memorandum of agreement (MOA) involving 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, to be submitted to the Governor.**
- **Permit the Governor not to approve an MOU or MOA, including a grant application, submitted to him or her.**
- **Prohibit the Governor from approving an MOU or MOA if it were not in proper form or compatible with State law.**
- **Provide that, if approved, an MOU or MOA 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 grant application associated with an MOU or MOA, 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 Act allows a public agency (a political subdivision) of Michigan to exercise jointly with any other public agency of Michigan, any other state, Canada, or the U.S. government, any power, privilege, or authority that the agencies share in common and that each might exercise separately. A joint exercise of power must be made by contract in the form of an interlocal agreement.

If funds of this State are to be allocated to carry out an interlocal agreement, or if the State, an agency of the U.S. government, any other state or political subdivision of any other state, or Canada or a political subdivision of Canada is a party to an interlocal agreement, the agreement must be submitted to the Governor before it takes effect. The Governor must determine whether the interlocal agreement is in proper form and compatible with Michigan law. The Governor is required to approve the interlocal agreement unless he or she finds that it does not meet the conditions of the Act or is not compatible with the laws of the State.

Under the bill, if a memorandum of understanding or memorandum of agreement involved this State and the Federal government or this State and a unit of government located outside of Michigan, including any grant application associated with an MOU or MOA involving this State and the Federal government or this State and a unit of government located outside of

Michigan, the MOU or MOA would have to be submitted to the Governor before and as a condition precedent to its effectiveness. The Governor would have to determine whether the MOU or MOA was in proper form and compatible with the laws of this State.

The Governor could choose not to approve a memorandum of understanding or memorandum of agreement, including any grant application associated with an MOU or MOA, submitted to him or her. The Governor would be prohibited from approving a memorandum of understanding or memorandum of agreement, including any grant application associated with an MOU or MOA, that was not in proper form or compatible with the laws of the State.

If the Governor approved a memorandum of understanding or memorandum of agreement, including any grant application associated with an MOU or MOA, submitted to him or her, the MOU or MOA, including any grant requirements, would be binding only for the term of office of the Governor who approved it or for the term described in the MOU or MOA, whichever was shorter.

Before its effectiveness, a memorandum of understanding or memorandum of agreement, including any grant application associated with an MOU or MOA, would have to be filed with the Secretary of State.

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.

Fiscal Analyst: Joe Carrasco

S1516\594sa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.