

SENATE BILL No. 594

November 3, 2015, Introduced by Senator SHIRKEY and referred to the Committee on Elections and Government Reform.

A bill to amend 1967 (Ex Sess) PA 7, entitled "Urban cooperation act of 1967," by amending the title and sections 2 and 10 (MCL 124.502 and 124.510), the title as amended by 1998 PA 169 and sections 2 and 10 as amended by 2002 PA 439.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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TITLE

An act to provide for interlocal public agency agreements; to provide standards for those **INTERLOCAL** agreements and for the filing and status of those **INTERLOCAL** 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; to provide for additional approval for those **INTERLOCAL** agreements; **TO PROVIDE FOR THE APPROVAL OF A MEMORANDUM OF UNDERSTANDING AND MEMORANDUM OF**

1 AGREEMENT INVOLVING THIS STATE; TO PROVIDE FOR THE DURATION OF A
2 MEMORANDUM OF UNDERSTANDING AND MEMORANDUM OF AGREEMENT INVOLVING
3 THIS STATE; TO PROVIDE FOR THE DURATION OF CERTAIN REQUIREMENTS
4 RELATED TO GRANTS APPLIED FOR AND INVOLVING THIS STATE; and to
5 prescribe penalties and provide remedies.

6 Sec. 2. As used in this act:

7 (a) "Interlocal agreement" means an agreement entered into
8 under this act.

9 (b) "Local governmental unit" means a county, city, village,
10 township, or charter township.

11 (C) "MEMORANDUM OF UNDERSTANDING" OR "MEMORANDUM OF AGREEMENT"
12 MEANS A WRITTEN STATEMENT DETAILING THE UNDERSTANDING OF
13 INDIVIDUALS REPRESENTING PARTIES WHO ENTER INTO CERTAIN AGREEMENTS,
14 AND INCLUDES CERTAIN GRANT APPLICATIONS INVOLVING THIS STATE. A
15 MEMORANDUM OF UNDERSTANDING OR MEMORANDUM OF AGREEMENT MAY BE
16 PRELIMINARY IN NATURE.

17 (D) ~~(e)~~-"Province" means a province of Canada.

18 (E) ~~(d)~~-"Property" means any real or personal property, as
19 described in section 34c of the general property tax act, 1893 PA
20 206, MCL 211.34c.

21 (F) ~~(e)~~-"Public agency" means a political subdivision of this
22 state or of another state of the United States or of Canada,
23 including, but not limited to, a state government; a county, city,
24 village, township, charter township, school district, single or
25 multipurpose special district, or single or multipurpose public
26 authority; a provincial government, metropolitan government,
27 borough, or other political subdivision of Canada; an agency of the

1 United States government; or a similar entity of any other states
2 of the United States and of Canada. As used in this subdivision,
3 agency of the United States government includes an Indian tribe
4 recognized by the federal government before 2000 that exercises
5 governmental authority over land within this state, except that
6 this act or any intergovernmental agreement entered into under this
7 act shall not authorize the approval of a class III gaming compact
8 negotiated under the Indian gaming regulatory act, Public Law 100-
9 497, 102 Stat. 2467.

10 (G) ~~(F)~~ "State" means a state of the United States.

11 Sec. 10. (1) If funds of this state are to be allocated to
12 carry out, in whole or in part, an **INTERLOCAL** agreement under this
13 act or if this state, an agency of the United States government,
14 any other state or political subdivision of any other state, or
15 Canada or a political subdivision of Canada is a party to an
16 **INTERLOCAL** agreement under this act, an interlocal agreement, prior
17 to and as a condition precedent to its effectiveness, shall be
18 submitted to the governor who shall determine whether the
19 **INTERLOCAL** agreement is in proper form and compatible with the laws
20 of this state.

21 (2) For the purposes of ~~this section~~, **SUBSECTION (1)**, funds of
22 this state do not include grants, gifts, bequests, or assistance
23 funds given to a public agency that is a party to an interlocal
24 agreement if the purpose of that **INTERLOCAL** agreement is to
25 administer those grants, gifts, bequests, or assistance funds
26 according to their terms or to combine the proceeds of the parties'
27 grants, gifts, bequests, or assistance funds for investment

1 purposes.

2 (3) IF A MEMORANDUM OF UNDERSTANDING OR MEMORANDUM OF
3 AGREEMENT INVOLVES THIS STATE AND THE FEDERAL GOVERNMENT OR THIS
4 STATE AND A UNIT OF GOVERNMENT LOCATED OUTSIDE OF THIS STATE,
5 INCLUDING ANY GRANT APPLICATION ASSOCIATED WITH A MEMORANDUM OF
6 UNDERSTANDING OR MEMORANDUM OF AGREEMENT INVOLVING THIS STATE AND
7 THE FEDERAL GOVERNMENT OR THIS STATE AND A UNIT OF GOVERNMENT
8 LOCATED OUTSIDE OF THIS STATE, THE MEMORANDUM OF UNDERSTANDING OR
9 MEMORANDUM OF AGREEMENT, PRIOR TO AND AS A CONDITION PRECEDENT TO
10 ITS EFFECTIVENESS, SHALL BE SUBMITTED TO THE GOVERNOR WHO SHALL
11 DETERMINE WHETHER THE MEMORANDUM OF UNDERSTANDING OR MEMORANDUM OF
12 AGREEMENT IS IN PROPER FORM AND COMPATIBLE WITH THE LAWS OF THIS
13 STATE.

14 (4) ~~(3)~~—The governor shall approve an **INTERLOCAL** agreement
15 submitted to him or her **UNDER SUBSECTION (1)** unless the governor
16 finds that the **INTERLOCAL** agreement does not meet the conditions
17 set forth in this act or is not compatible with the laws of this
18 state. If the governor so finds, the governor shall detail in
19 writing addressed to the governing bodies of the public agencies
20 concerned within 90 days the specific respects in which the
21 proposed interlocal agreement fails to meet the requirements of
22 law. The governing bodies of the public agencies concerned shall
23 have 60 days to resubmit the revised interlocal agreement to the
24 governor, who shall approve or disapprove the agreement within 90
25 days.

26 (5) THE GOVERNOR MAY CHOOSE TO NOT APPROVE A MEMORANDUM OF
27 UNDERSTANDING OR MEMORANDUM OF AGREEMENT, INCLUDING ANY GRANT

1 APPLICATION ASSOCIATED WITH A MEMORANDUM OF UNDERSTANDING OR
2 MEMORANDUM OF AGREEMENT, SUBMITTED TO HIM OR HER UNDER SUBSECTION
3 (3). THE GOVERNOR SHALL NOT APPROVE A MEMORANDUM OF UNDERSTANDING
4 OR MEMORANDUM OF AGREEMENT, INCLUDING ANY GRANT APPLICATION
5 ASSOCIATED WITH A MEMORANDUM OF UNDERSTANDING OR MEMORANDUM OF
6 AGREEMENT, SUBMITTED TO HIM OR HER UNDER SUBSECTION (3) THAT IS NOT
7 IN PROPER FORM OR COMPATIBLE WITH THE LAWS OF THIS STATE.

8 (6) IF THE GOVERNOR APPROVES A MEMORANDUM OF UNDERSTANDING OR
9 MEMORANDUM OF AGREEMENT, INCLUDING ANY GRANT APPLICATION ASSOCIATED
10 WITH A MEMORANDUM OF UNDERSTANDING OR MEMORANDUM OF AGREEMENT,
11 SUBMITTED TO HIM OR HER UNDER SUBSECTION (3), THE MEMORANDUM OF
12 UNDERSTANDING OR MEMORANDUM OF AGREEMENT, INCLUDING ANY GRANT
13 REQUIREMENTS, IS ONLY BINDING FOR THE TERM OF OFFICE OF THE
14 GOVERNOR WHO APPROVED THE MEMORANDUM OF UNDERSTANDING OR MEMORANDUM
15 OF AGREEMENT OR FOR THE TERM DESCRIBED IN THE MEMORANDUM OF
16 UNDERSTANDING OR MEMORANDUM OF AGREEMENT, WHICHEVER IS SHORTER.

17 (7) ~~(4)~~—Prior to its effectiveness, an interlocal agreement
18 shall be filed with the county clerk of each county where a party
19 to the INTERLOCAL agreement is located and with the secretary of
20 state.

21 (8) PRIOR TO ITS EFFECTIVENESS, A MEMORANDUM OF UNDERSTANDING
22 OR MEMORANDUM OF AGREEMENT, INCLUDING ANY GRANT APPLICATION
23 ASSOCIATED WITH A MEMORANDUM OF UNDERSTANDING OR MEMORANDUM OF
24 AGREEMENT, SHALL BE FILED WITH THE SECRETARY OF STATE.

25 Enacting section 1. This amendatory act takes effect 90 days
26 after the date it is enacted into law.