



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

## BILL ANALYSIS



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

House Bill 5837 (as passed by the House)  
Sponsor: Representative Aaron Miller  
House Committee: Energy Policy  
Senate Committee: Energy and Technology

Date Completed: 9-6-18

**CONTENT**

**The bill would amend the Michigan Energy Employment Act to allow a municipal unit or political subdivision of another state or Canadian province to become a member of, or withdraw from, a joint agency, if it met certain requirements.**

The Act specifies that a joint agency is formed when the governing bodies of two or more municipalities, by resolution, determine that it is in the municipalities' best interest in accomplishing the purposes of the Act to create a joint agency to undertake the planning, financing, development, acquisition, construction, reconstruction, improvement, enlargement, betterment, operation, or maintenance of a project or projects to supply electric power and energy for their present or future needs as an alternative or supplemental method of obtaining the benefits and assuming the responsibilities of ownership in a project.

The governing bodies of two or more municipalities may incorporate a joint agency by adopting articles of incorporation. A municipality that did not join in the original incorporation of an agency may become a member by the adoption of a resolution by all members of the joint agency's board of commissioners. After the creation of a joint agency, another municipality may become a member upon application after its governing body adopted a resolution, and with unanimous consent of the agency's members. A municipality may withdraw from a joint agency, except that all contractual rights acquired and obligations it incurred while it was a member remain in full force and effect.

Under the bill, a municipal unit or other political subdivision of another state or Canadian province owning a system for the generation, transmission, or distribution of electric power and energy for public or private use, or proposing to own such a system, could become a member or an associate member of, and could withdraw from, a joint agency in the same manner as described above. In addition to complying with the above requirements, the municipal unit or political subdivision would have to provide to the joint agency an opinion acceptable to it from an individual licensed to practice law in that state or province attesting to the following:

- That the laws applicable to the prospective member would not preclude it from joining the joint agency.
- That the prospective member had the legal authority under laws applicable to it to enter into valid, binding, and enforceable agreements with the joint agency, and its members and associate members.

Except as otherwise provided by the joint agency's board of commissioners, a member or an associate member located in another state or Canadian province would have the same rights, privileges, and obligations as other members.

Proposed MCL 460.836a

Legislative Analyst: Stephen Jackson

**FISCAL IMPACT**

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

Fiscal Analyst: Ryan Bergan

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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.