

Legislative Analysis



GUBERNATORIAL MEMORANDA OF UNDERSTANDING

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<http://www.house.mi.gov/hfa>

House Bill 4257 as introduced
Sponsor: Rep. Steven Johnson
House Committee: Oversight
Complete to 3-17-21

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4257 would create a new act concerning the effectiveness of, and filing requirements for, a memorandum of understanding signed by the governor.

Generally speaking, a memorandum of understanding (MOU) is a formal, albeit nonbinding, agreement between two or more parties, often acting similarly to a letter of intent. MOUs often are used by governments and governmental agencies, private businesses, even foreign governments to forge partnerships in a project or mutually beneficial goal.

Under the bill, if a *memorandum of understanding* signed by a governor would, according to its provisions, apply after the date that governor leaves office, the MOU would stay in effect during successive administrations until either a successive governor rejected it or it expired on its own.

Memorandum of understanding would mean an informal agreement between this state and another party that does not impose contractual duties or obligations on the state.

The bill would require a copy of an MOU signed by the governor under the act to be filed in the Office of the Great Seal and made available to the public. Copies of each MOU would have to be posted on the Department of State internet website, and the Department of State would have to file a copy with each house of the legislature and with the Senate Majority Leader, the Senate Minority Leader, the Speaker of the House of Representatives, and the Minority Leader of the House of Representatives.

BACKGROUND:

House Bill 4257 is identical to Senate Bill 822 of the 2017-18 legislative session. That bill was passed by both chambers and ordered enrolled, but was vetoed by Governor Snyder.¹

FISCAL IMPACT:

The bill would have no fiscal impact on state or local units of government.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.

¹ https://content.govdelivery.com/attachments/MIGOV/2018/12/28/file_attachments/1130301/Veto%20Letter%20822.pdf