

# HOUSE BILL No. 5930

March 9, 2010, Introduced by Reps. Donigan, Meadows, Liss, Geiss, Hammel and Durhal  
and referred to the Committee on Intergovernmental and Regional Affairs.

A bill to create intergovernmental advisory office and to provide for its powers and duties; to create certain funds; to provide for certain powers and duties of certain state and local officers and agencies; and to repeal acts and parts of acts.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1. This act shall be known and may be cited as the  
2       "intergovernmental advisory office act".

3       Sec. 2. As used in this act:

4       (a) "Fund" means the intergovernmental agency grant and loan  
5       fund created in section 9.

6       (b) "Local unit of government" means a political subdivision  
7       of this state, including, but not limited to, a county, city,  
8       village, township, district, local authority, intergovernmental

1 authority, or intergovernmental entity.

2 (c) "Office" means the intergovernmental advisory office  
3 created in section 3.

4 Sec. 3. (1) The intergovernmental advisory office is created.  
5 The head of the office is the director, who shall be appointed by  
6 the governor and shall serve at the pleasure of the governor.

7 (2) The director, subject to annual appropriations for that  
8 purpose, may appoint deputies or other employees to assist in  
9 carrying out the duties of the office.

10 Sec. 4. The office shall do all of the following:

11 (a) Serve as the central state agency that connects local  
12 governments to services provided by various state departments and  
13 agencies. For this purpose, each state department shall designate  
14 an officer or employee to be the local government liaison for that  
15 department. Each designated local government liaison shall meet  
16 periodically with the director of the office to ensure that  
17 services and programs offered to local governments by each state  
18 department are delivered efficiently.

19 (b) Develop common minimum operational standards for all local  
20 units of government, including accounting standards.

21 (c) Evaluate the laws of this state to determine whether state  
22 statutes may create impediments or barriers to collaboration and  
23 cooperation between local units of government, and how those  
24 statutes could be amended or supplemented to provide incentives for  
25 local cooperation and collaboration based on local control rather  
26 than state control. The office shall draft suggested legislation  
27 for purposes of this subdivision and shall provide copies of the

1 suggested legislation to the secretary of the senate and the clerk  
2 of the house of representatives.

3 (d) Identify, categorize, and prioritize opportunities for  
4 shared services, collaborative efforts, and consolidation and  
5 increased efficiency among local and regional government agencies.

6 (e) Identify and prioritize real barriers to local cooperation  
7 and collaboration.

8 (f) Work with state departments and representative  
9 nongovernmental organizations to catalogue, record, and track  
10 activities relating to local cooperation, consolidation, and shared  
11 services across the state to optimize success and avoid duplication  
12 and conflict.

13 (g) Identify and catalogue specific base-level services  
14 rendered by local government as a basis for revenue sharing.

15 (h) Review and recommend changes to constitutional and  
16 statutory revenue sharing that supports specific base-level  
17 services rendered by local government units, rather than providing  
18 unrestricted funds.

19 (i) Recommend methods for local governments to increase their  
20 authority to tax their citizens for the desired services and beyond  
21 the base-level services that all local units provide.

22 (j) Provide grants to be used for consultant services as  
23 needed.

24 Sec. 5. The office shall support local governmental  
25 coordination and collaboration efforts including, but not limited  
26 to, all of the following:

27 (a) Consolidation of local units or services.

1 (b) The formation and operation of regional commissions,  
2 agencies, and councils.

3 (c) Mutual aid pacts between local governments.

4 (d) Joint service agreements.

5 (e) Joint purchasing agreements.

6 (f) Contracts for performing governmental functions and  
7 providing governmental services to residents.

8 (g) The formation of special authorities.

9 Sec. 6. The office shall develop and provide a variety of  
10 innovative tools and services to help municipalities consolidate  
11 and coordinate the delivery of essential services to residents and  
12 businesses in local governmental units, including, but not limited  
13 to, the following:

14 (a) State-financed bonds.

15 (b) Public-private partnerships for local governmental units  
16 for brick and mortar projects.

17 (c) Public investment infrastructure funding.

18 (d) The services of qualified consultants who have  
19 demonstrated proven success.

20 (e) Financial models and incentives that local governments can  
21 replicate to achieve coordinated and cooperative ventures that  
22 would not overburden taxpayers and that recognize the uniqueness  
23 and complexity of large urban, small urban, suburban, village,  
24 township, and rural governments. Financial models must include,  
25 where applicable, all of the following:

26 (i) Fixed costs.

27 (ii) Ongoing operational costs.

1 (iii) Taxation.

2 (iv) Variable costs.

3 (v) Transaction costs.

4 (vi) Shared risk and liability.

5 (f) Legal services.

6 (g) Teams of experts that can assist local governments in  
7 intergovernmental efforts. The office shall assemble and oversee  
8 teams of qualified individuals from the public and private sectors  
9 to assist coordination and consolidation efforts as needed. Team  
10 members shall have the full force of the state behind them and have  
11 the full range of state resources to assist them. Team members  
12 shall include, but are not limited to, the following:

13 (i) Attorneys.

14 (ii) Certified public accountants.

15 (iii) Labor negotiations.

16 (iv) Financial analysts.

17 (v) Former school superintendents.

18 (vi) Former city managers and financial officers.

19 (vii) Municipal planning experts.

20 (viii) Private sector professionals who have experience or  
21 expertise in local government.

22 (ix) Consultants who have been certified by the state as  
23 experts in the field of local government issues and who have  
24 achieved verifiable success with consolidation efforts.

25 Sec. 7. The office shall promote the integration of services  
26 provided by local units of government whenever that integration  
27 would provide a more economical and efficient use of resources. The

1 services the office shall review include, but are not limited to,  
2 all of the following:

3 (a) 9-1-1 emergency services.

4 (b) Fire and police services, including dispatch services and  
5 regional and central lockup facilities.

6 (c) Court services.

7 (d) The collection of taxes and fees.

8 (e) Property assessment and equalization.

9 (f) Regional and shared libraries.

10 (g) Parks and recreation services.

11 (h) Accounting.

12 (i) Human resources.

13 (j) Significant capital expenditures.

14 (k) General administrative functions.

15 Sec. 8. The director of the office shall regularly meet with,  
16 and seek the cooperation and advice of, all of the following in  
17 conducting the activities of the office under this act:

18 (a) The director of the department of treasury or his or her  
19 designee.

20 (b) The director of the department of management and budget or  
21 his or her designee.

22 (c) The director of the department of natural resources and  
23 environment or his or her designee.

24 (d) The director of the state transportation department or his  
25 or her designee.

26 (e) The lieutenant governor or his or her designee.

27 (f) The attorney general or his or her designee.

1 (g) The Michigan municipal league.

2 (h) The Michigan townships association.

3 (i) The Michigan association of counties.

4 Sec. 9. (1) The intergovernmental grant and loan fund is  
5 created in the state treasury.

6 (2) The state treasurer may receive money or other assets from  
7 any source for deposit into the fund. The state treasurer shall  
8 direct the investment of the fund. The state treasurer shall credit  
9 to the fund interest and earnings from fund investments.

10 (3) Money in the fund at the close of the fiscal year shall  
11 remain in the fund and shall not lapse to the general fund.

12 (4) The department of treasury shall be the administrator of  
13 the fund for auditing purposes.

14 (5) At the direction of the office, the state treasurer shall  
15 expend money from the fund, upon appropriation, only for the  
16 purposes described in section 10.

17 Sec. 10. (1) The office shall utilize the money in the fund  
18 for all of the following purposes:

19 (a) Awarding grants to local units of government to support  
20 innovative pilot programs that implement cooperation and  
21 collaboration between the participating local units of government.

22 (b) Awarding grants to local units of government to support  
23 joint ventures by those local units of government to deliver  
24 governmental services.

25 (c) Making loans to local units of government that collaborate  
26 on the purchase or construction of capital-intensive items.

27 (2) An application for a grant or a loan under this section

1 shall be submitted jointly by the local units of government that  
2 propose to participate in the endeavor that is the subject of the  
3 grant or loan. The forms and requirements for the application and  
4 the terms of the grant or loan shall be determined by the office.

5       Sec. 11. The office shall create an interactive website that  
6 is available to the public to assist local units of government in  
7 participating in the activities authorized under this act.

8       Sec. 12. Not later than January 1, 2011 and each year after  
9 that, the office shall report on its activities and recommendations  
10 to the chairpersons of the standing committees of the senate and  
11 house of representatives that consider legislation affecting local  
12 governmental activities and to the chairpersons of the senate and  
13 house appropriations committees.

14       Enacting section 1. This act is repealed 2 years after the  
15 date on which it was enacted.