

Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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Senate Bills 360 and 361 (as introduced 3-27-01)  
Sponsor: Senator Joel D. Gougeon  
Committee: Local, Urban and State Affairs

Date Completed: 3-28-01

### **CONTENT**

**The bills would amend separate laws to provide that a home rule city could form a nonprofit corporation, and to make the board of such a corporation subject to the Open Meetings Act.** The bills are tie-barred to each other.

#### **Senate Bill 360**

The bill would amend the Home Rule City Act to provide that, whether or not authorized by the city charter, the legislative body of a city could by ordinance form a nonprofit corporation under the Nonprofit Corporation Act.

(The Nonprofit Corporation Act defines "nonprofit corporation" as a corporation incorporated to carry out any lawful purpose or purposes not involving pecuniary profit or gain for its directors, officers, shareholders, or members.)

#### **Senate Bill 361**

The bill would amend the Open Meetings Act, which requires meetings of certain public bodies to be open to the public, to include under the definition of "public body", the board of a nonprofit corporation formed by a city under the Home Rule City Act (pursuant to Senate Bill 360); and to include under the definition of "meeting", any meeting of the board of a nonprofit corporation formed by a city.

The Open Meetings Act currently defines "public body" as any State or local legislative or governing body, including a board, commission, committee, subcommittee, authority, or council that is empowered by State constitution, statute, charter, ordinance, resolution, or rule to exercise governmental or proprietary authority or perform a governmental or proprietary function; or a lessee performing an essential public purpose and function under the lease agreement. The term "meeting" means the convening of a public body at which a quorum is present for the purpose of deliberating toward or rendering a decision on a public policy.

Proposed MCL 117.4o (S.B. 360)  
MCL 15.262 (S.B. 361)

Legislative Analyst: N. Nagata

### **FISCAL IMPACT**

#### **Senate Bill 360**

The bill would have no fiscal impact on the State.

The bill would have an indeterminate fiscal impact on local units. Creation and operation of a nonprofit corporation would not necessitate a change in a local unit's revenues or expenditures, although a local unit could choose, due to the existence of the nonprofit corporation, to make budgeting or policy changes that could alter expenditures and/or revenues.

**Senate Bill 361**

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

Fiscal Analyst: D. Zin

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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.