SFA BILL ANALYSIS

Senate Fiscal Agency • Lansing, Michigan 48909 • (517) 373-5383

Senate Bill 425 (as passed by the Senate)
Sponsor: Senator John F. Kelly
Committee: Government Operations

Date Completed: 2-8-88

RATIONALE

Michigan is one of Canada's largest trading partners, most of the trade being with the province of Ontario. It has been suggested that to preserve and improve this healthy economic link, a commission consisting of persons from both Michigan and Ontario be appointed to study areas of concern common to both and to propose legislation for both if needed.

CONTENT

The bill would ratify a compact to enter the State into a joint Michigan- Ontario Law Revision Commission, for the purpose of reviewing "matters of mutual concern and to recommend proposed legislation to the Ontario legislative assembly and the Michigan legislature which addresses those areas of mutual concern".

The bill provides that nine Michigan members would serve on the Commission, consisting of the following:

- Two members of the Senate, one appointed by the Senate Majority Leader and one appointed by the Senate Minority Leader.
- Two members of the House of Representatives, one appointed by the Speaker and one appointed by the House Minority Leader.
- The Director of the Legislative Service Bureau.
- Four persons, appointed by the Legislative Council, who were not members of the Legislature. Persons appointed by the Legislative Council would receive an annual salary as established by the Legislature. At least three of these persons would have to be attorneys admitted to practice in the courts of Michigan.

Members would serve four-year terms and could be reimbursed for necessary expenses.

Each year the Commission would have to report its findings and recommendations to the Legislature and the Ontario Legislative Assembly. The Commission would have the power and duty to do the following:

- Examine incompatibilities between Michigan and Ontario laws, and recommend reforms that would facilitate economic development between Michigan and Ontario.
- Receive and consider proposed changes in law as recommended by the American Law Institute, the Center for Canadian-United States Law, and any bar association or other learned body.
- Receive and consider suggestions from public officials and the public regarding incompatibilities between Michigan and Ontario laws that hinder economic development
- Recommend changes in the law necessary to "render compatible law, and to bring the law of the state of Michigan and the province of Ontario dealing with civil matters into harmony with modern conditions".

The Commission could appoint employees, prescribe their duties, and fix compensation within the amount appropriated for the Commission. (The bill would not require that an appropriation be made for the Commission.)

The compact could become effective and binding only after the State had enacted the bill and Ontario had taken the necessary action required by its laws and the laws of Canada to effectuate the compact.

FISCAL IMPACT

The bill would result in increased costs to the State and would have no fiscal impact on local units of government.

The bill provides for annual salaries for the four members appointed by the Legislative Council; however, the salaries are not specified by the bill. All members of the Michigan contingent of the Commission could be reimbursed for their actual expenses.

The bill also would allow the Commission to appoint employees and set salaries.

ARGUMENTS

Supporting Argument

There is an enormous flow of trade between Michigan and Ontario, a vital economic necessity for both. To see that this trade continues with few impediments, and to improve it further, an entity is needed to study the laws of each trade partner. The Commission proposed by the bill would facilitate the mutual integration of the laws between Michigan and Ontario and help to prevent barriers to the free flow of trade.

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