

**STATE ADMINISTRATIVE BOARD
Act 2 of 1921**

AN ACT to promote the efficiency of the government of the state, to create a state administrative board, to define the powers and duties thereof, to provide for the transfer to said board of powers and duties now vested by law in other boards, commissions, departments and officers of the state, and for the abolishing of certain of the boards, commissions, departments and offices, whose powers and duties are hereby transferred.

History: 1921, Act 2, Imd. Eff. Feb. 23, 1921.

The People of the State of Michigan enact:

17.1 State administrative board; membership; powers and duties.

Sec. 1. There is hereby created a board to be known and designated as the state administrative board of the state of Michigan. The state administrative board shall be composed of the governor, who shall act as chairperson, the lieutenant-governor, the secretary of state, the state treasurer, the attorney general, the director of the state transportation department, and the superintendent of public instruction, and shall possess the powers and perform the duties provided in this act.

History: 1921, Act 2, Imd. Eff. Feb. 23, 1921;—CL 1929, 201;—Am. 1939, Act 296, Eff. Sept. 29, 1939;—CL 1948, 17.1;—Am. 2002, Act 369, Imd. Eff. May 24, 2002.

Transfer of powers: See MCL 16.208.

17.2 State administrative board; procedure, meetings, and conduct of business; conducting business at public meeting; notice of meeting; quorum; actions of board; governor's veto; implementation of orders; compensation and expenses.

Sec. 2. (1) The board may adopt rules governing its procedure, provide for the calling and holding of regular and special meetings, and provide for the general conduct of its business and affairs. The business which the board may perform shall be conducted at a public meeting of the board held in compliance with Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976. Four members shall constitute a quorum for the transaction of business, but a smaller number may adjourn. An action of the board shall require a concurring vote of a majority of the board, and shall be final, subject to the governor's veto, unless reconsidered or rescinded at a subsequent meeting of the board at which there shall be present as many members as were present when the original vote was taken.

(2) The governor may veto an action of the board within 10 days after its passage. By a concurring vote of 5 members of the board, taken within 10 days after the exercise of a veto, the veto of the governor may be overruled.

(3) The board shall direct the manner in which orders made by it shall be implemented, and may employ and fix the compensation of agents and assistants necessary to carry out duties imposed by this act. The compensation of all employees of the board shall be paid from the state treasury in the same manner as the compensation of other state employees is paid.

(4) Expenses necessarily incurred by a member of the board or by a board employee while traveling in the performance of an official duty imposed by this act shall be paid in the same manner as are the expenses incurred by other state officers and employees.

History: 1921, Act 2, Imd. Eff. Feb. 23, 1921;—Am. 1927, Act 12, Imd. Eff. Mar. 25, 1927;—CL 1929, 202;—CL 1948, 17.2;—Am. 1967, Act 133, Imd. Eff. June 27, 1967;—Am. 1977, Act 154, Imd. Eff. Nov. 7, 1977.

17.2a State administrative board; powers and duties relating to renaissance zones.

Sec. 2a. The state administrative board shall have the powers granted and perform the duties imposed under the Michigan renaissance zone act.

History: Add. 1996, Act 443, Imd. Eff. Dec. 19, 1996.

17.2b Powers and duties under Michigan strategic fund act; employment of chief compliance officer; review of reports; powers and duties under Michigan tobacco settlement finance authority act.

Sec. 2b. (1) The state administrative board shall also have the powers granted and perform the duties imposed under section 88i of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088i.

(2) The state administrative board shall employ the chief compliance officer described in section 88i of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088i, as authorized by section 2.

(3) The state administrative board shall review all reports described in section 88i of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088i, submitted to the state administrative board by the chief compliance officer under section 88i of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088i.

(4) The state administrative board also shall have the powers granted and perform the duties described under section 8 of the Michigan tobacco settlement finance authority act, 2005 PA 226, MCL 129.268.

History: Add. 2006, Act 474, Imd. Eff. Dec. 20, 2006.

17.3 Administrative board; supervisory control over administrative departments; limitations as to appropriations and inter-transfers; duties of administrative officials.

Sec. 3. (1) The state administrative board shall exercise general supervisory control over the functions and activities of all administrative departments, boards, commissioners, and officers of the state, and of all state institutions.

(2) Except as provided in subsection (5), the state administrative board shall not have power to transfer any appropriation to the general fund at any time or use the same for any purpose other than that designated by the legislature.

(3) The state administrative board shall not have power to allow to any state department, board, commission, officer, or institution any funds, not appropriated therefor by the legislature, from any source whatever, except as provided in the emergency appropriation act of 1931.

(4) Except as provided in subsection (5), the state administrative board shall not have the power to transfer to any state department, board, commission, officer, or institution any sum from the amount appropriated by the legislature for any other purpose.

(5) Subject to subsection (6), the state administrative board may inter-transfer funds within the appropriation for a particular department, board, commission, officer, or institution. If the inter-transfer of funds could otherwise be accomplished through the transfer process under section 393 of the management and budget act, 1984 PA 431, MCL 18.1393, the state administrative board may carry out the inter-transfer only if both of the following requirements have been met:

(a) The state budget director has first requested the approval of or given notice to, as applicable, the senate and house of representatives appropriations committees regarding the inter-transfer of funds under section 393 of the management and budget act, 1984 PA 431, MCL 18.1393.

(b) The request to inter-transfer funds made under subdivision (a) has not been approved by both appropriations committees by whichever of the following dates is the earliest:

(i) Six session days after the request was made.

(ii) Thirty calendar days after the first session day after the request was made.

(6) The state administrative board may not transfer or inter-transfer any funds that are appropriated to or deposited in the strategic outreach and attraction reserve fund created in section 4 of the Michigan trust fund act, 2000 PA 489, MCL 12.254, or that are appropriated or transferred for the critical industry program created in section 88s of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088s, or the Michigan strategic site readiness program created in section 88t of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088t.

(7) The state administrative board may in its discretion intervene in any matter touching the functions and activities under this section and may, by resolution or order, advise or direct the department, board, commission, officer, or institution concerned as to the manner in which the function or other activity shall be performed, and may order an interchange or transfer of employees between departments, boards, commissions, and state institutions when necessary. It is hereby made the duty of each and every official and employee connected with any administrative department, office, or institution of the state to follow the direction or order so given; and to perform such services in the carrying out of the purposes and intent of this act as may be required by the board. Failure so to do shall be deemed to constitute malfeasance in office and shall be sufficient cause for removal.

(8) As used in this section, "session day" means a day on which both the senate and the house of representatives convene in session.

History: 1921, Act 2, Imd. Eff. Feb. 23, 1921;—Am. 1927, Act 12, Imd. Eff. Mar. 25, 1927;—CL 1929, 203;—Am. 1931, Act 6, Imd. Eff. Mar. 31, 1931;—CL 1948, 17.3;—Am. 2019, Act 161, Imd. Eff. Dec. 20, 2019;—Am. 2021, Act 143, Imd. Eff. Dec. 27, 2021.

Constitutionality: Individual members of the legislature brought an action challenging the State Administrative Board's authority under MCL 17.3 to transfer appropriated funds from one program to another within a department. The Court of Appeals conferred standing and held that the statutory authority relied upon by the board had been impliedly repealed by subsequent legislative acts. The Michigan Supreme Court agreed that the chairman of the House Appropriations Committee had standing, but reversed the Court of Appeals decision repealing the State Administrative Board's authority to transfer funds. The Michigan Supreme Court held that neither subsequent amendments to the State Administrative Board Act nor the enactment of the Management and Budget Act indicates an intent by the legislature to repeal by implication the Board's authority under MCL 17.3 to transfer funds within a department. House Speaker v Rendered Thursday, February 16, 2023

State Administrative Bd, 441 Mich 547; 495 NW2d 539(1993).

17.5 Repealed. 1964, Act 256, Eff. Aug. 28, 1964.

Compiler's note: The repealed section vested administrative board with powers and duties granted to state purchasing agent.

17.6 Repealed. 1984, Act 431, Eff. Mar. 29, 1985.

Compiler's note: The repealed section pertained to powers of administrative board.

17.7, 17.8 Repealed. 1964, Act 256, Eff. Aug. 28, 1964.

Compiler's note: The repealed sections provided for payment of expenses of administrative board and abolished certain boards and offices.

17.10 Repealed. 1964, Act 256, Eff. Aug. 28, 1964.

Compiler's note: The repealed sections made declaration of necessity for public peace, health and safety.

17.11 Repealed. 1984, Act 431, Eff. Mar. 29, 1985.

Compiler's note: The repealed section pertained to lieutenant governor as member of administrative board.

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