

SENATE BILL No. 498

September 24, 1991, Introduced by Senators DI NELLO and WELBORN and referred to the Committee on Local Government and Urban Development.

A bill to amend section 3 of Act No. 317 of the Public Acts of 1968, entitled as amended

"An act relating to the conduct of public servants in respect to governmental decisions and contracts with public entities; to provide penalties for the violation of this act; to repeal certain acts and parts of acts; and to validate certain contracts," as amended by Act No. 184 of the Public Acts of 1984, being section 15.323 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 3 of Act No. 317 of the Public Acts of
2 1968, as amended by Act No. 184 of the Public Acts of 1984, being
3 section 15.323 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 3. (1) ~~Section~~ EXCEPT AS PROVIDED IN THIS SECTION,
6 SECTION 2 ~~shall~~ DOES not apply to either of the following:

1 (a) A public servant who is paid for working an average of
2 25 hours per week or less for a public entity.

3 (b) A public servant who is an employee of a public commu-
4 nity college, junior college, or state college or university.

5 (2) A contract as defined in and limited by section 2
6 involving a public entity and a public servant described in sub-
7 section (1) shall meet all of the following requirements:

8 (a) The public servant promptly discloses any pecuniary
9 interest in the contract to the official body ~~which~~ THAT has
10 power to approve the contract, which disclosure shall be made a
11 matter of record in its official proceedings.

12 (b) The contract is approved by a vote of not less than 2/3
13 of the full membership of the approving body in open session
14 without the vote of the public servant making the disclosure.

15 (c) The official body discloses the following summary infor-
16 mation in its official minutes:

17 (i) The name of each party involved in the contract.

18 (ii) The terms of the contract, including duration, finan-
19 cial consideration between parties, facilities or services of the
20 public entity included in the contract, and the nature and degree
21 of assignment of employees of the public entity for fulfillment
22 of the contract.

23 (iii) The nature of any pecuniary interest.

24 (3) This section and section 2 ~~shall~~ DO not prevent a
25 public servant from making or participating in making a govern-
26 mental decision to the extent that the public servant's
27 participation is required by law. If 2/3 of the members are not

1 eligible under this act to vote on a contract or to constitute a
2 quorum, a member may be counted for purposes of a quorum and may
3 vote on the contract if the member will directly benefit from the
4 contract in an amount less than \$250.00 and less than 5% of the
5 public cost of the contract and the member files a sworn affida-
6 vit to that effect with the official body. The affidavit shall
7 be made a part of the public record of the official proceedings.
8 As used in this subsection, "governmental decision" means a
9 determination, action, vote, or disposition upon a motion, pro-
10 posal, recommendation, resolution, ordinance, order, or measure
11 on which a vote by members of a local legislative or governing
12 body of a public entity is required and by which a public body
13 effectuates or formulates public policy.

14 (4) AN ELECTED OFFICIAL OF A LOCAL GOVERNMENTAL UNIT SHALL
15 NOT SIMULTANEOUSLY SERVE AS A BARGAINING REPRESENTATIVE OF A
16 LABOR ORGANIZATION WITH WHICH THAT LOCAL GOVERNMENTAL UNIT
17 BARGAINS.