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

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House Bill 4386 (as reported without amendment)  
Sponsor: Representative Kirk A. Profit  
House Committee: House Oversight and Ethics  
Senate Committee: Government Operations

### **CONTENT**

The bill would amend Public Act 317 of 1968 (which governs the conduct of public servants in regard to governmental decisions and contracts) to specify the manner in which a public servant would have to disclose his or her pecuniary interest in a contract between the public servant and a public entity. The bill also would replace language in the Act concerning local ordinances. The bill would take effect 90 days after the date of its enactment.

With certain exceptions, the Act prohibits a public servant from being a party to any contract between himself or herself and the public entity of which he or she is an officer or employee. The prohibition does not apply to a public servant who either is paid for working an average of 25 hours per week or less, or is an employee of a public community college, junior college, or State college or university. A contract under this exception must meet certain requirements in the Act, including disclosure of any pecuniary interest in the contract to the official body that has the power to approve the contract.

The bill would retain these requirements but describe how disclosure would have to be made, unless the public servant would directly benefit from the contract in an amount less than \$250 and less than 5% of the public cost of the contract and the public servant filed a sworn affidavit to that effect with the official body or the contract was for emergency repairs or services. Otherwise, the disclosure would have to be made in either of the following manners:

- At least seven days before the meeting at which a vote would be taken, the public servant promptly disclosed in writing to the presiding officer, or to the clerk if the presiding officer were the public servant, the pecuniary interest in the contract. The disclosure would have to be made public in the same manner as a public meeting notice.
- The public servant disclosed the pecuniary interest at a public meeting of the official body. The vote would have to be taken at a meeting of the body held at least seven days after the meeting at which the disclosure was made. If the amount of the direct benefit to the public servant were more than \$5,000, disclosure would have to be made in this manner.

MCL 15.323 & 15.328

Legislative Analyst: S. Lowe

### **FISCAL IMPACT**

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

Date Completed: 11-3-97

Fiscal Analyst: R. Ross

[floor/hb4386](#)

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.