

CONTRACTORS: MISREPRESENTATION



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FISCAL ANALYSIS

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HOUSE BILL 6239 SUBSTITUTE H-2

Sponsor: Rep. Randy Richardville

Committee: Criminal Justice

FLOOR ANALYSIS - 9/17/02

Analyst(s): Marilyn Peterson

SUMMARY

The bill would amend the Michigan Penal Code to make it a 93-day misdemeanor for a licensed contractor knowingly to coerce or assist a person earning wages to falsely declare himself or herself to be an independent contractor. Violation of the bill would be punishable by imprisonment for up to 93 days, by a fine of up to \$10,000, or both. The bill thus could increase local correctional costs, depending on how it affected numbers of misdemeanor convictions and sentences to probation or jail. To the extent that the bill increased collections of penal fines, it would increase penal fine revenues going to local libraries, which are the constitutionally-designated recipients of those revenues. By providing for a misdemeanor penalty of 93 days, the bill would trigger statutory requirements for fingerprinting and recordkeeping; it would, however, not present significant additional costs for the Department of State Police.