

# Legislative Analysis



## CONTRACTS BETWEEN GOV'T & EMPLOYEES: ALLOW RESIDENTIAL PROPERTY SALES

Mitchell Bean, Director  
Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

### House Bill 4729

Sponsor: Rep. Steve Tobocman

Committee: Local Government and Urban Policy

Complete to 5-9-05

### A SUMMARY OF HOUSE BILL 4729 AS INTRODUCED 5-4-05

In general, a person who works for a public entity is prohibited from entering into a contract with that entity. This prohibition applies to state employees as well as employees of counties and local governmental units, but does not include members of the legislature and certain state officers.

House Bill 4729 would amend Public Act 317 of 1968 to specify that the ban on a public servant's entering into a contract with the employing public entity would not apply to contracts to purchase residential property. A public servant could purchase between one and four parcels, but would have to wait at least 18 months between each purchase. Moreover, this exception would not apply to public servants who had been appointed or elected to their positions and also would not apply to employees whose work responsibilities included the purchase or selling of property for the public entities. A violation of the bill's provisions would be a felony punishable by not more than one year imprisonment or a fine of not less than \$1,000 or more than three times the value of the property purchased.

MCL 15.324

### FISCAL IMPACT:

The bill would have an indeterminate fiscal impact on state and local corrections costs. Costs of a sentence to the county jail would be borne by the county; jail costs vary from county to county. Costs of a sentence to state prison or to felony probation supervision would be borne by the state. Average appropriated cost of prison incarceration is about \$28,000 per prisoner per year, and average cost of felony probation supervision is about \$1,977 per offender per year. Increases in penal fine revenues would benefit local libraries, which are the constitutionally-designated recipients of such revenues.

Legislative Analyst: Susan Stutzky

Fiscal Analyst: Marilyn Peterson

---

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.