



Senate Fiscal Agency  
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Senate Bill 17 (as introduced 1-13-21)  
Sponsor: Senator Dale Zorn  
Committee: Local Government

Date Completed: 1-26-21

### **CONTENT**

**The bill would amend Public Act 317 of 1968, which governs contracts between public servants and public entities, to raise the maximum population of a city, village, township, or county in which a public servant may serve as an emergency medical personnel or firefighter, and a governing body may limit a public servant from performing other additional services for the local unit of government.**

Section 2 of the Act generally prohibits a public servant from being a party, directly or indirectly, to any contract between himself or herself and the public entity of which he or she is an officer or employee. However, the Act contains several exceptions to this provision. Among other things, Section 2 does not do any of the following:

- Prohibit a public servant of a city, village, township, or county with a population of less than 25,000 from serving, with or without compensation, as an emergency medical services personnel.
- Prohibit a public servant of a city, village, township, or county with a population of less than 25,000 from serving, with or without compensation, as a firefighter in that city, village, township, or county if he or she is not a full-time firefighter, a fire chief, or a person who negotiates with the city, village, township, or county on behalf of the firefighters.
- Limit the authority of the governing body of a city, village, township, or county with a population of less than 25,000 to authorize a public servant to perform, with or without compensation, other additional services for the local unit of government.

The bill would modify these provisions to increase the population ceiling from less than 25,000 to less than 40,000.

The bill also would allow a public servant to serve as a fire chief, police officer, chief of police, or public safety officer in units of government that met the population criteria, if he or she did not negotiate collective bargaining agreements with the municipality on behalf of the firefighters, fire chiefs, police officers, chiefs of police, or public safety officers.

The bill would take effect 90 days after its enactment.

MCL 15.323a

Legislative Analyst: Christian Schmidt

### **FISCAL IMPACT**

Adding to the types of emergency services-related positions that may be held by public servants and extending to larger local governments the option for public servants to serve in

those positions, either paid or unpaid, would have no direct fiscal impact on local government. Any fiscal impact would depend on local decisions by eligible local units of government to exercise the authority provided by the bill. The table below shows counts of local governments by population size. Currently, there are 1,725 local governments with a population under 25,000 that are eligible for the employment exception for public servants. Under the bill, an additional 49 local units would become eligible for the employment exception based on 2010 population counts. The 82 largest local governments in the State would not be eligible for the employment exception under either current law or the bill.

The bill would have no fiscal impact on State government.

<b>Counts of Local Governments by Population Size and Type</b>				
	<b>Under 25,000</b>	<b>25,000 to 39,999</b>	<b>40,000 or More</b>	<b>Total</b>
<b>Counties</b>	27	15	41	83
<b>Cities</b>	235	16	29	280
<b>Villages</b>	253	0	0	253
<b>Townships</b>	1,210	18	12	1,240
<b>Total Local Units</b>	1,725	49	82	1856

Source: 2010 US Decennial Census and Senate Fiscal Agency

Fiscal Analyst: Ryan Bergan

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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.