

**CONTRACTS OF PUBLIC SERVANTS WITH PUBLIC ENTITIES (EXCERPT)**  
**Act 317 of 1968**

**15.324 Public servants; contracts excepted; violation as felony.**

Sec. 4. (1) The prohibitions of section 2 shall not apply to any of the following:

(a) Contracts between public entities.

(b) Contracts awarded to the lowest qualified bidder, other than a public servant, upon receipt of sealed bids pursuant to a published notice. Except as authorized by law, the notice shall not bar any qualified person, firm, corporation, or trust from bidding. This subsection shall not apply to amendments or renegotiations of a contract nor to additional payments made under a contract which were not authorized by the contract at the time of award.

(c) Contracts for public utility services where the rates are regulated by the state or federal government.

(d) Contracts to purchase residential property. A public servant of a city or village may purchase 1 to 4 parcels not less than 18 months between each purchase. This subdivision does not apply to public servants of a city or village who have been appointed or elected to their position or whose employment responsibilities include the purchase or selling of property for the city or village. This subdivision shall apply only to a city or village that has adopted an ethics ordinance which was in effect at the time the residential property was purchased.

(2) A person that violates subsection (1)(d) is guilty of a felony punishable by imprisonment for not more than 1 year or a fine of not less than \$1,000.00 or more than 3 times the value of the property purchased.

**History:** 1968, Act 317, Eff. Sept. 1, 1968;—Am. 2005, Act 198, Imd. Eff. Nov. 9, 2005.

**Compiler's note:** Section 191 of Act 227 of the Public Acts of 1975 repealed MCL 4.401 to 4.410, 168.901 to 168.929, 15.321 to 15.330, 15.301 to 15.310, and 15.341 to 15.348. The Michigan Supreme Court, however, in Advisory Opinion on Constitutionality of 1975 PA 227, 396 Mich. 123, 240 N.W.2d 193 (1976), held Act 227 of the Public Acts of 1975 unconstitutional for being in violation of Mich. Const., Art. 4, § 24.