

HOUSE BILL No. 5011

July 27, 1989, Introduced by Rep. Ciaramitaro and referred to the Committee on Judiciary.

A bill to amend Act No. 170 of the Public Acts of 1964, entitled as amended

"An act to make uniform the liability of municipal corporations, political subdivisions, and the state, its agencies and departments, officers, employees, and volunteers thereof, and members of certain boards, councils, and task forces when engaged in the exercise or discharge of a governmental function, for injuries to property and persons; to define and limit this liability; to define and limit the liability of the state when engaged in a proprietary function; to authorize the purchase of liability insurance to protect against loss arising out of this liability; to provide for defending certain claims made against public officers and paying damages sought or awarded against them; to provide for the legal defense of public officers and employees; to provide for reimbursement of public officers and employees for certain legal expenses; and to repeal certain acts and parts of acts,"

as amended, being sections 691.1401 to 691.1415 of the Michigan Compiled Laws, by adding section 8a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 170 of the Public Acts of 1964, as
2 amended, being sections 691.1401 to 691.1415 of the Michigan

1 Compiled Laws, is amended by adding section 8a to read as
2 follows:

3 SEC. 8A. (1) IF A STATE AGENCY CONTRACTS WITH A LOCAL UNIT
4 OF GOVERNMENT TO HAVE THE LOCAL UNIT OF GOVERNMENT PERFORM AN
5 ACTIVITY THAT WOULD CONSTITUTE A GOVERNMENTAL FUNCTION IF PER-
6 FORMED BY THE STATE AGENCY, THE CONTRACT MAY PROVIDE THAT IF THE
7 LOCAL UNIT OF GOVERNMENT FULFILLS THE TERMS OF THE CONTRACT, THE
8 STATE AGENCY WILL INDEMNIFY THE LOCAL UNIT OF GOVERNMENT AGAINST
9 PAYMENT OF DAMAGES IN A JUDGMENT OR SETTLEMENT OF AN ACTION OR
10 CLAIM ARISING OUT OF THE PERFORMANCE OF THE ACTIVITY EXCEPT TO
11 THE EXTENT THAT THE LOCAL UNIT OF GOVERNMENT IS ITSELF NEGLIGENT
12 IN PERFORMING THE ACTIVITY.

13 (2) THIS SECTION DOES NOT IMPOSE LIABILITY ON A GOVERNMENTAL
14 AGENCY.