

HOUSE BILL No. 6178

November 8, 1990, Introduced by Rep. Dunaskiss and referred to the Committee on Labor.

A bill to amend Act No. 390 of the Public Acts of 1978, entitled as amended

"An act to regulate the time and manner of payment of wages and fringe benefits to employees; to prescribe rights and responsibilities of employers and employees, and the powers and duties of the department of labor; to require keeping of records; to provide for settlement of disputes regarding wages and fringe benefits; to prohibit certain practices by employers; to prescribe penalties and remedies; and to repeal certain acts and parts of acts,"

as amended, being sections 408.471 to 408.490 of the Michigan Compiled Laws, by adding section 5a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 390 of the Public Acts of 1978, as
2 amended, being sections 408.471 to 408.490 of the Michigan
3 Compiled Laws, is amended by adding section 5a to read as
4 follows:

1 SEC. 5A. (1) AN EMPLOYER THAT IS A PUBLIC BODY SHALL NOT
2 PAY WAGES OR FRINGE BENEFITS TO AN EMPLOYEE UNDER A PERSONAL
3 SERVICES CONTRACT IF THE CONTRACT IS FOR A PERIOD THAT IS GREATER
4 THAN THE TERMS OF OFFICE OF A MAJORITY OF THE MEMBERS OF THE
5 PUBLIC BODY THAT ENTERED INTO THE CONTRACT CALCULATED FROM THE
6 DATE OF APPOINTMENT OF THE EMPLOYEE.

7 (2) AN EMPLOYER THAT IS A PUBLIC BODY SHALL NOT MAKE A SEV-
8 ERANCE PAYMENT TO AN EMPLOYEE UNDER A PERSONAL SERVICES CONTRACT
9 OF MORE THAN 1 YEAR'S WAGES AND FRINGE BENEFITS.

10 (3) THIS SECTION APPLIES TO CONTRACTS ENTERED INTO ON AND
11 AFTER THE EFFECTIVE DATE OF THIS SECTION. HOWEVER, A CONTRACT IN
12 EFFECT ON THE EFFECTIVE DATE OF THIS SECTION SHALL NOT BE FURTHER
13 EXTENDED AS A RESULT OF THIS SECTION.

14 (4) AS USED IN THIS SECTION, "PUBLIC BODY" MEANS ANY STATE
15 OR LOCAL LEGISLATIVE OR GOVERNING BODY, INCLUDING A BOARD, COM-
16 MISSION, COMMITTEE, SUBCOMMITTEE, AUTHORITY, OR COUNCIL, WHICH IS
17 EMPOWERED BY STATE CONSTITUTION, STATUTE, CHARTER, ORDINANCE,
18 RESOLUTION, OR RULE TO EXERCISE GOVERNMENTAL OR PROPRIETARY
19 AUTHORITY OR PERFORM A GOVERNMENTAL OR PROPRIETARY FUNCTION, OR A
20 LESSEE THEREOF PERFORMING AN ESSENTIAL PUBLIC PURPOSE AND FUNC-
21 TION PURSUANT TO THE LEASE AGREEMENT.