



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 605 (as introduced 10-3-17)
Sponsor: Senator Dale W. Zorn
Committee: Local Government

Date Completed: 10-17-17

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 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 that firefighter 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 would take effect 90 days after its enactment.

MCL 15.323a

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The extension to larger local governments of options for public servants to serve as emergency medical services personnel or firefighters, or in other positions, either paid or unpaid, would have an indeterminate fiscal impact on local government. The fiscal impact would depend on local decisions by newly eligible local units of government to the exercise the authority provided by the bill and the amount of compensation, if any, set by the local government compared to the amount that would be paid to a person who was not a public

servant who performed that function. 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 exceptions 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 either under current law or the bill. The bill would have no fiscal impact on State government.

Counts of Local Governments by Population Size and Type				
	Under 25,000	25,000 to 39,999	40,000 or More	Total
Counties	27	15	41	83
Cities	235	16	29	280
Villages	253	0	0	253
Townships	1,210	18	12	1,240
Total Local Units	1,725	49	82	1856
Source: 2010 U.S. Decennial Census and Senate Fiscal Agency				

Fiscal Analyst: Elizabeth Pratt

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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.