

# HOUSE BILL NO. 4588

March 24, 2021, Introduced by Rep. Glenn and referred to the Committee on Oversight.

A bill to regulate certain terms in certain state employment contracts; and to provide for civil fines.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

**1** Sec. 1. As used in this act:

**2** (a) "State officer" means either of the following:

1 (i) A head of a principal department of the executive branch of  
2 state government.

3 (ii) A head of an agency within a principal department of the  
4 executive branch of state government.

5 (b) "Trade secret" means that term as defined in section 2 of  
6 the uniform trade secrets act, 1998 PA 448, MCL 445.1902.

7 Sec. 3. This state shall not enter into an employment contract  
8 with a state officer if the employment contract includes a  
9 provision that prohibits the state officer from disclosing  
10 information regarding the performance of the state officer's  
11 official duties unless 1 of the following conditions is met:

12 (a) The provision is required by law.

13 (b) The provision is included in 1 of the following:

14 (i) An agreement or covenant that is in compliance with section  
15 4a of the Michigan antitrust reform act, 1984 PA 274, MCL 445.774a.

16 (ii) An agreement or covenant regarding a trade secret.

17 Sec. 5. A state employee or state officer who authorizes a  
18 contract provision in violation of this act is responsible for a  
19 civil fine of not more \$2,500.00 if the state employee or state  
20 officer knew, at the time of the authorization, that the provision  
21 violated this act. The attorney general may bring an action in the  
22 circuit court of Ingham County for a violation of this act. A civil  
23 fine collected under this section shall be submitted to the state  
24 treasurer for deposit in the general fund of this state.

25 Sec. 7. This act applies to an employment contract that is  
26 entered into, amended, extended, or renewed on or after the  
27 effective date of this act.