

Act No. 292
Public Acts of 1994
Approved by the Governor
July 12, 1994
Filed with the Secretary of State
July 14, 1994

**STATE OF MICHIGAN
87TH LEGISLATURE
REGULAR SESSION OF 1994**

Introduced by Senators Schwarz Bouchard Dunaskiss Geake Dingell and Cherry

ENROLLED SENATE BILL No. 1182

AN ACT to amend section 4 of Act No 318 of the Public Acts of 1968 entitled An act to implement the provisions of section 10 of article 4 of the constitution relating to substantial conflicts of interest on the part of members of the legislature and state officers in respect to contracts with the state and the political subdivisions thereof to provide for penalties for the violation thereof to repeal all acts and parts of acts in conflict with this act and to validate certain contracts being section 15 304 of the Michigan Compiled Laws

The People of the State of Michigan enact

Section 1 Section 4 of Act No 318 of the Public Acts of 1968 being section 15 304 of the Michigan Compiled Laws is amended to read as follows

Sec 4 (1) As used in section 2 interested means a pecuniary interest

(2) If there is a conflict of interest on the part of a legislator or state officer in respect to a contract with the state or a political subdivision of the state to be prohibited by this act his or her personal interest must be of such substance as to induce action on his or her part to promote the contract for his or her own personal benefit

(3) In the following cases there is no substantial conflict of interest

(a) A contract between the state or a political subdivision of the state and any of the following

(i) A corporation in which a legislator or state officer is a stockholder owning 1% or less of the total stock outstanding in any class if the stock is not listed on a stock exchange or the stock has a present market value of \$25 000 00 or less if the stock is listed on a stock exchange

(ii) A corporation in which a trust where a legislator or state officer is a beneficiary under the trust owns 1% or less of the total stock outstanding in any class if the stock is not listed on a stock exchange or the stock has a present market value of \$25 000 00 or less if the stock is listed on a stock exchange

(iii) A professional limited liability company organized pursuant to the Michigan limited liability company act Act No 23 of the Public Acts of 1993 being sections 450 5101 to 450 6200 of the Michigan Compiled Laws if a legislator or state officer is an employee but not a member of the company

(b) A contract between the state or a political subdivision of the state and any of the following

(i) A corporation in which a legislator or state officer is a stockholder owning more than 1% of the total stock outstanding in any class if the stock is not listed on a stock exchange or the stock has a present market value in excess of \$25 000 00 if the stock is listed on a stock exchange or a director officer or employee

(ii) A firm partnership or other unincorporated association in which a legislator or state officer is a partner member or employee

(m) A corporation or firm that has an indebtedness owed to a legislator or state officer

(v) A trustee or trustees under a trust in which a legislator or state officer is a beneficiary or trustee or a corporation in whose stock the trust funds are invested if the investment includes more than 1% of the total stock outstanding in any class if the stock is not listed on a stock exchange or if the stock has a present market value in excess of \$25 000 00 if the stock is listed on a stock exchange if the legislator or state officer does not solicit the contract takes no part in the negotiations for or in the approval of the contract or any amendment to the contract and does not in any way represent either party in the transaction and the contract is not with or authorized by the department or agency of the state or a political subdivision with which the state officer is connected

(c) A contract between the state and a political subdivision of the state or between political subdivisions of the state

(d) A contract awarded to the lowest qualified bidder upon receipt of sealed bids pursuant to a published notice for bids provided the notice does not bar except as authorized by law any qualified person firm corporation or trust from bidding This subdivision does not apply to amendments or renegotiations of a contract or to additional payments under the contract which were not authorized by the contract at the time of award

(e) A contract for public utility services where the rates for the services are regulated by the state or federal government

This act is ordered to take immediate effect

Secretary of the Senate

Co Clerk of the House of Representatives

Approved

Governor