

# HOUSE BILL No. 5381

March 4, 2014, Introduced by Reps. Townsend, Switalski, Cavanagh, Yanez and Oakes and referred to the Committee on Elections and Ethics.

A bill to regulate the awarding of certain contracts by local governments; to require that local governments include certain provisions in certain contracts; and to provide for penalties.

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

1           Sec. 1. This act shall be known and may be cited as the  
2 "ethics in local government contracts act".

3           Sec. 3. As used in this act:

4           (a) "Immediate family member" means a spouse, child, sibling,  
5 or parent of the individual and includes anyone who the individual  
6 or the individual's spouse claims as a dependent on his or her  
7 United States income tax return during the 12 months immediately  
8 preceding the award of the contract.

9           (b) "Local government" means a county, city, township,  
10 village, or metropolitan district.

1           Sec. 5. (1) A local government shall not award a contract with  
2 a value of \$25,000.00 or more for construction, goods, or services  
3 to a vendor or contractor if the vendor or contractor made a  
4 contribution of \$100.00 or more that was reportable under the  
5 Michigan campaign finance act, 1976 PA 388, MCL 169.201 to 169.282,  
6 to an individual holding an elective office in the local government  
7 during the 12 months immediately preceding the award of the  
8 contract.

9           (2) A local government shall include a provision in each  
10 contract with a value of \$25,000.00 or more for construction,  
11 goods, or services that the local government awards which requires  
12 the vendor or contractor to certify that the vendor or contractor  
13 will not make any contribution during the term of the contract to  
14 an individual holding elective office in the local government with  
15 a value that equals or exceeds the amount indicated in subsection  
16 (1).

17           (3) A violation of this section is considered a material  
18 breach of the contract.

19           (4) For purposes of this section, a contribution by an owner  
20 of an interest of 10% or more in the vendor or contractor, or by an  
21 immediate family member of an owner of an interest of 10% or more  
22 in the vendor or contractor, is considered to be a contribution by  
23 the vendor or contractor.