400.755 Issuance of coupons without contract; duration of contract with distributor; coupons distributed before effective date of act.

Sec. 5. (1) Except as provided in subsection (3) or section 8(2), an individual, partnership, corporation, association, or political subdivision of this state shall not issue coupons to recipients without being awarded a contract under this act.

(2) As determined by the department of management and budget, a contract with a distributor shall be for a period of at least 1 year except as provided in this subsection. No contract shall exceed a period of 5 years. A contract with a distributor may be for a period of less than 1 year if it is awarded during a state fiscal year for a period which ends on the last day of the state fiscal year.

(3) The family independence agency may allow an individual, partnership, corporation, or association that issued coupons in a distribution area before the effective date of this act to continue to issue coupons until a distributor is selected for the distribution area and begins issuing coupons.