



**Senate Fiscal Agency**  
P. O. Box 30036  
Lansing, Michigan 48909-7536

BILL ANALYSIS



**Telephone: (517) 373-5383**  
**Fax: (517) 373-1986**

Senate Bill 766 (Substitute S-1 as reported by the Committee of the Whole)  
Sponsor: Senator Dave Honigman  
Committee: Local, Urban and State Affairs

### **CONTENT**

The bill would create a new act to prohibit a “public employer” from requiring, by collective bargaining agreement or otherwise, that a person reside within a specified geographic area or within a specified distance or travel time from his or her place of employment as a condition of employment or promotion by the public employer. This provision would not apply if the person were a volunteer or paid on-call fire fighter.

The bill would apply only to employment contracts entered into, renewed, or renegotiated after the bill’s effective date, in accordance with the prohibition against impairment of contracts provided by Article I, Section 10 of the State Constitution.

“Public employer” would mean the State or a county, township, village, city, authority, or other political subdivision of the State and would include any entity jointly created by two or more public employers.

Legislative Analyst: L. Arasim

### **FISCAL IMPACT**

This bill would allow certain government employees who enter, renew, or renegotiate employment contracts to live outside of State or local unit boundaries, thereby reducing the income tax revenue collected by the State or cities. Depending on the degree to which city income tax collections changed, revenue sharing payments also could increase or decrease for all local units.

Date Completed: 2-13-96

Fiscal Analyst: R. Ross

floor\sb766

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.