



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

## BILL ANALYSIS



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

House Bill 5274 (Substitute H-3 as passed by the House)  
Sponsor: Representative Tom McMillin  
House Committee: Oversight, Reform, and Ethics  
Senate Committee: Reforms, Restructuring and Reinventing

Date Completed: 9-18-12

**CONTENT**

**The bill would create the "Public Contract Disclosure Act" to require a public entity to do the following:**

- Prepare a list of its contracts for \$25,000 or more that it entered into or were in effect within the preceding 12 months.**
- Post the list on its website or submit the information to the Department of Technology, Management, and Budget, which would have to post the information.**
- Update the information at least monthly.**

"Public entity" would mean the State; a department or agency of the State; a city, village, township, county, or other political subdivision of the State; a school district, intermediate school district, or special district; a cyber school; a public school academy; a community college or junior college; an institution of higher education; or any other public entity of the State or of a political subdivision of the State.

Specifically, a public entity would have to prepare a list with information concerning each of its contracts that were entered into or in effect at any time during the preceding 12 months. ("Contract" would mean an agreement for a public entity to procure goods or services from a private entity for \$25,000 or more, or estimated to total \$25,000 or more. The term would not include an employment contract for a position filled through a civil service or similar merit system or a position normally filled by a vote of the electors.)

The information listed concerning each contract would have to include the following:

- The name of the contracting private entity.
- The dollar amount of the contract.
- For a contract for the lease or lease purchase of a motor vehicle, the duration of the lease.

If the dollar amount of the contract were not easily ascertainable, the public entity would have to include the estimated amount of the contract and would have to update the estimate each month until the actual dollar amount was ascertainable.

The public entity would have to post the information on its website with a link to the information on the entity's homepage, or it would have to submit the information

electronically to the Department of Technology, Management, and Budget. The Department would have to post the information on its public website within 90 days after receiving the information.

The public entity would have to update the posted information at least monthly.

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

The bill could create an indeterminate cost for State and local governments as well as other public entities, as defined in the bill. Public entities could face increased administrative costs to meet the requirements of preparing and updating monthly a list of all contracts of \$25,000 or more that they entered into or had in effect in the preceding 12-month period. In addition, the list would have to be posted on the public entities' publicly accessible website or submitted to the Department of Technology, Management, and Budget (DTMB) for posting on its public website. If a public entity did not have a publicly accessible website and chose to create one for posting this monthly list, there would be additional costs associated with creating and maintaining the website.

There also could be additional administrative costs to the DTMB associated with the collection of the lists from public entities and the posting of those lists on the Department's public website. Additional costs could include the website development and maintenance that could become necessary depending on the number of public entities that chose to submit their monthly lists to the DTMB.

The potential costs for public entities are indeterminate and would depend on whether they have an existing publicly accessible website or whether one would need to be created. The potential additional costs to the DTMB would depend on the number of entities that elected to submit their lists to the Department for posting on its public website.

Fiscal Analyst: Joe Carrasco

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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.