

Legislative Analysis



TRANSPARENCY FOR RECIPIENTS OF PUBLIC FUNDS

Mary Ann Cleary, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 6034

Sponsor: Rep. Tom McMillin

Committee: Oversight, Reform, and Ethics

Complete to 12-2-12

A SUMMARY OF HOUSE BILL 6034 AS INTRODUCED 11-27-12

House Bill 6034 would create a new act that would require private entities that receive public funds of \$1 million or more to post certain information on a publicly accessible website. A more detailed description of the bill follows.

The bill would require that a nonpublic entity, whether for-profit or nonprofit, that received \$1 million or more in public funds during a fiscal year post all of the following information for that fiscal year on a website that was accessible by the public:

- any union contracts it had entered into that were in force;
- its certified financial statement;
- the dollar cost of the compensation and benefits identified to each of its 10 most highly compensated employees or officers; and
- any contract it entered into that had a value of \$25,000 or more.

The bill would prohibit a public entity in Michigan from transferring public funds with a value of \$100,000 or more to a nonpublic entity in a fiscal year unless the nonpublic entity provide a written statement that it would post information described above.

Under the bill, the term "public funds" would be defined to mean money or property to which *all* of the following apply: (a) it is a grant or other gratuitous transfer; (b) it is received from this state, a unit of local government of this state, or another public entity in this state that receives its funding primarily from state or local government fees or taxes; (c) it is not money or property the public entity transfers under a contract in exchange for goods or services; (d) it is not a loan that the recipient is bound to repay.

FISCAL IMPACT:

House Bill 6034 would have no fiscal impact on state or local government. Nonpublic entities receiving over \$1.0 million in public funds would be required certain transparency steps as outlined in the provisions of the bill.

Legislative Analyst: J. Hunault
Fiscal Analyst: Ben Gielczyk

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.