

Legislative Analysis



PROHIBIT CERTAIN NONDISCLOSURE AGREEMENTS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4566 as introduced
Sponsor: Rep. Beau Matthew LaFave
Committee: Oversight
Complete to 3-25-21

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4566 would create a new act to prohibit the state from entering into, amending, extending, or renewing a confidentiality or nondisclosure agreement (except as otherwise required by law) with an individual who holds an elective or appointive state office.

FISCAL IMPACT:

House Bill 4566 could result in annual savings for state departments and agencies by prohibiting confidentiality or nondisclosure agreements for appointed or elected officials that may include severance payments. Severance payments to elected or appointed state officials have been made infrequently and irregularly in the past and can vary significantly in amount. Severance payments, in some circumstances, can cover almost a year's worth of salary, or over \$150,000, and are supported through General Fund/General Purpose revenue.

Legislative Analyst: Susan Stutzky
Fiscal Analyst: Michael Cnossen

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