

# HOUSE BILL NO. 4754

June 14, 2023, Introduced by Reps. Roth, Johnsen, Bierlein, St. Germaine, Schmaltz, Martin, Harris and VanderWall and referred to the Committee on Government Operations.

A bill to regulate certain provisions in certain public employment contracts; to limit severance payments to certain public employees and public officers; and to require the disclosure or publication of certain public employment contracts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 1. This act may be cited as the "state employment  
2 contract regulation act".

3           Sec. 3. As used in this act:

4           (a) "Severance pay" means compensation that is both of the

1 following:

2 (i) Payable or paid upon or after the termination of  
3 employment.

4 (ii) In addition to any of the following:

5 (A) Wages or benefits earned.

6 (B) Generally applicable retirement benefits.

7 (b) "State employee" means an individual employed in the  
8 executive or legislative branch of government of this state. State  
9 employee does not include an employee in the state classified civil  
10 service.

11 (c) "State officer" means an individual who is elected or  
12 appointed to an office created by law in the executive or  
13 legislative branch of government of this state.

14 Sec. 5. (1) Except as otherwise provided in subsection (2) or  
15 (3), this state shall not do either of the following:

16 (a) Enter into an employment contract with a state employee if  
17 any of the following conditions apply:

18 (i) The employment contract provides for severance pay to the  
19 state employee in an amount that is greater than an amount equal to  
20 12 weeks of the state employee's normal wages.

21 (ii) The employment contract prohibits the state employee from  
22 disclosing any of the following:

23 (A) Factual information about an alleged violation of law,  
24 including, but not limited to, discrimination and sexual  
25 harassment, in the state employee's workplace.

26 (B) The existence of the employment contract.

27 (C) A portion of or the full text of the employment contract.

28 (iii) The employment contract does not state that the employment  
29 contract represents the complete and exclusive agreement between

1 the parties to the contract.

2 (b) Pay to a state employee severance pay in an amount greater  
3 than is authorized under subdivision (a) (i).

4 (2) For a state employee in the executive branch, if the  
5 attorney general determines that severance pay for the state  
6 employee in an amount greater than is authorized under subsection  
7 (1) (a) (i) is necessary to serve the best interests of this state  
8 based on the risk of litigation and the need to minimize the  
9 expenditure of public funds, this state may, subject to subsection  
10 (4), do either of the following:

11 (a) Enter into an employment contract with the state employee  
12 that provides for severance pay to the state employee in an amount  
13 greater than is authorized under subsection (1) (a) (i) if the  
14 employment contract releases, to the extent allowed by law, all  
15 claims the state employee may have against this state.

16 (b) Pay to the state employee severance pay as provided for in  
17 the employment contract described in subdivision (a).

18 (3) For a state employee in the legislative branch, if the  
19 legal counsel for the public body that employs the state employee  
20 determines that severance pay for the state employee in an amount  
21 greater than is authorized under subsection (1) (a) (i) is necessary  
22 to serve the best interests of this state based on the risk of  
23 litigation and the need to minimize the expenditure of public  
24 funds, this state may, subject to subsection (4), do either of the  
25 following:

26 (a) Enter into an employment contract with the state employee  
27 that provides for severance pay to the state employee in an amount  
28 greater than is authorized under subsection (1) (a) (i) if the  
29 employment contract releases, to the extent allowed by law, all

1 claims the state employee may have against this state.

2 (b) Pay to the state employee severance pay as provided for in  
3 the employment contract described in subdivision (a).

4 (4) If this state enters into an employment contract with a  
5 state employee or state officer that provides for severance pay to  
6 the state employee or state officer in an amount equal to or  
7 greater than an amount equal to 6 weeks of the state employee's or  
8 state officer's normal wages, the public body that employs the  
9 state employee or in which the state officer serves shall, within  
10 28 days after the employment contract is entered into and to the  
11 extent allowed by law, make the full text of the employment  
12 contract available to the public on the public body's website.

13 Sec. 7. (1) Except as otherwise provided in subsection (2) or  
14 (3), this state shall not do any of the following:

15 (a) Enter into an employment contract with a state officer if  
16 any of the following conditions apply:

17 (i) The employment contract provides for severance pay to the  
18 state officer.

19 (ii) The employment contract prohibits the state officer from  
20 disclosing any of the following:

21 (A) Factual information about an alleged violation of law,  
22 including, but not limited to, discrimination and sexual  
23 harassment, in the state officer's workplace.

24 (B) The existence of the employment contract.

25 (C) A portion of or the full text of the employment contract.

26 (iii) The employment contract does not state that the employment  
27 contract represents the complete and exclusive agreement between  
28 the parties to the contract.

29 (b) Pay severance pay to a state officer.

1 (c) Enter into a nondisclosure or confidentiality agreement  
2 with a state officer regarding the performance of the state  
3 officer's official duties, unless confidentiality is required by  
4 law.

5 (2) For a state officer in the executive branch, if the  
6 attorney general determines that severance pay for the state  
7 officer is necessary to serve the best interests of this state  
8 based on the risk of litigation and the need to minimize the  
9 expenditure of public funds, this state may, subject to subsection  
10 (4) and section 5(4), do either of the following:

11 (a) Enter into an employment contract with the state officer  
12 that provides for severance pay to the state officer if the  
13 employment contract releases, to the extent allowed by law, all  
14 claims the state officer may have against this state.

15 (b) Pay to the state officer severance pay as provided for in  
16 the employment contract described in subdivision (a).

17 (3) For a state officer in the legislative branch, if the  
18 legal counsel for the public body in which the public officer  
19 serves determines that severance pay for the state officer is  
20 necessary to serve the best interests of this state based on the  
21 risk of litigation and the need to minimize the expenditure of  
22 public funds, this state may, subject to subsection (4) and section  
23 5(4), do either of the following:

24 (a) Enter into an employment contract with the state officer  
25 that provides for severance pay to the state officer if the  
26 employment contract releases, to the extent allowed by law, all  
27 claims the state officer may have against this state.

28 (b) Pay to the state officer severance pay as provided for in  
29 the employment contract described in subdivision (a).

1           (4) If a determination is made under subsection (2) or (3)  
2 that severance pay for a state officer is necessary to serve the  
3 best interests of this state based on the risk of litigation and  
4 the need to minimize the expenditure of public funds, the public  
5 body in which the public officer serves shall, within 3 days after  
6 the employment contract is entered into and to the extent allowed  
7 by law, submit by electronic means the full text of the state  
8 officer's employment contract to all of the following:

- 9           (a) The speaker of the house of representatives.  
10           (b) The minority leader of the house of representatives.  
11           (c) The senate majority leader.  
12           (d) The senate minority leader.

13           Sec. 9. This act applies to an employment contract that is  
14 entered into, amended, extended, or renewed on or after the  
15 effective date of this act.