

Legislative Analysis



STATE PURCHASING: BIO-BASED PRODUCT PREFERENCE

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Senate Bill 431 as passed by the Senate
Sponsor: Sen. Bruce Caswell
House Committee: Oversight
Senate Committee: Appropriations

Complete to 9-15-14

A SUMMARY OF SENATE BILL 431 (S-2) AS PASSED BY THE SENATE 3-26-14

Senate Bill 431 (S-2) would amend the Management and Budget Act to require the Department of Technology, Management, and Budget, all other things being equal, to give preference to biobased products that have the United States Department of Agriculture certified biobased label, when making purchases.

Currently, if consistent with federal statutes, in all purchases made by the department, preference must be given to products manufactured or services offered by Michigan-based firms or by facilities whose operator is designated as a clean corporate citizen under the Natural Resources and Environmental Protection Act. This provision would be retained but the bill would allow preference instead be given to biobased products as described above.

MCL 18.1261

FISCAL IMPACT:

The bill would increase state administrative costs. The Department of Technology, Management, and Budget estimates that an additional analyst position at a total cost of about \$95,000 (salary plus fringes) annually would be needed to implement the bill as introduced, including drafting and administering rules, and creating and maintaining a bio-based product list. In addition, to the extent preferred bio-based products cost more than alternatives, the bill could increase costs of equipment, material, and supplies purchased by the state. The bill would have no fiscal impact on local units of government.

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