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BILL ANALYSIS

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House Bill 5665 (Substitute H-1 as passed by the House)
Sponsor: Representative Ken Bradstreet
House Committee: Agriculture and Resource Management
Senate Committee: Agriculture, Forestry and Tourism

Date Completed: 6-16-04

CONTENT

The bill would amend the Management and Budget Act to require the Department of Management and Budget (DMB), when purchasing wood or paper products, to give preference to products that derive from sustainably managed forests or procurement systems. The requirement would begin October 1, 2005.

The bill provides that this requirement would be in addition to current requirements governing the Department's purchasing priorities. First, the DMB must give preference to products manufactured or services offered by Michigan-based firms, all other things being equal. Second, 20% of the DMB's purchases of supplies, materials, and equipment must be made from recycled materials, if the Director determines that there is a readily identifiable source or market for the recycled materials and if the cost does not exceed 110% of products that do not contain recycled materials. Last, to the extent available, paper products purchased or contracted for by the DMB must be made from recycled paper; specifically, at least 50% of the total paper purchased must contain at least 50% recycled materials.

The bill states that paper product and forest product companies purchasing raw materials from or through third parties could reasonably rely on the representations of landowners, vendors, or brokers as to whether the raw materials derived from sustainably managed forests or procurement systems.

"Sustainably managed forests or procurement systems" would mean forests or procurement systems that are certified by an independent third party using one or more of the following certification programs:

- The Sustainable Forestry Initiative/American Forest and Paper Association.
- The American Tree Farm Systems/American Forest Foundation.
- The Canadian Standards Associations sustainable forest management systems standards.
- The Forest Stewardship Council.
- The Pan-European forest certification.
- The Finnish forest certification system.
- The United Kingdom woodlands assurance scheme.
- International Standards Organization (ISO) standard 14001.

Proposed MCL 18.1261c

Legislative Analyst: Claire Layman

FISCAL IMPACT

The bill would have an indeterminate impact on State government, depending on the relative price paid for products that would receive a preference under the bill.

Fiscal Analyst: Bill Bowerman

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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.