

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 5952 (Substitute H-1 as reported without amendment)
Sponsor: Representative Kenneth Bradstreet
House Committee: Agriculture & Resource Management
Senate Committee: Hunting, Fishing and Forestry

CONTENT

The bill would amend the Management and Budget Act to require the Department of Management and Budget (DMB) to give preference to products that derive from "sustainably managed forests or procurement systems" in purchasing paper or wood products.

The bill would define "sustainably managed forests or procurement systems" as forests or procurement systems that are certified by an independent third party using at least one of the following programs:

- Sustainable Forestry Initiative/American Forest and Paper Association.
- American Tree Farm Systems/American Forest Foundation.
- Canadian Standards Associations Sustainable Forest Management System Standards.
- Forest Stewardship Council.
- Pan-European Forest Certification.
- Finnish Forest Certification System.
- United Kingdom Woodlands Assurance Scheme.
- International Standards Organization (ISO) Standard 14001.

The DMB still would have to comply with Sections 261, 261a, and 261b of the Act, which require that preference be given to products and services from Michigan-based firms; that the DMB solicit competitive bids from the private sector unless doing so will not efficiently and effectively meet the State's needs; and that 50% of all paper and 20% of all other supplies, materials, and equipment purchased or contracted for by the DMB contain recycled materials, as long as the cost does not exceed 110% of similar goods not containing recycled materials.

Proposed MCL 18.1261

Legislative Analyst: Julie Koval

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on the State. It would establish an additional consideration for the Department of Management and Budget when purchasing paper or wood products. The requirement could increase the cost of the products purchased by an unknown amount depending on the certification status of current wood and paper products readily available to the State.

Date Completed: 12-4-02

Fiscal Analyst: Jessica Runnels