

# Legislative Analysis

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## **BULK PURCHASING PROGRAM**

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**House Bill 4560**

**Sponsor: Rep. Ted Hammon**

**Committee: Commerce**

**Complete to 10-29-07**

## **A SUMMARY OF HOUSE BILL 4560 AS INTRODUCED 3-29-07**

The bill would require the Department of Management and Budget to create and operate the "Michigan Bulk Purchasing Plan" for businesses located in Michigan on a fee basis to reduce the costs of purchasing goods and services. The bill specifies that "fees collected could not exceed the cost of purchasing the goods and services and reasonable administrative fees and are appropriated for the expenses incurred."

The bill is an amendment to Section 263 of the Management and Budget Act, which already contains provisions that require the DMB (1) to provide assistance to any city, village, county, township, school district, intermediate school district, nonprofit hospital, institution of higher education, or community or junior college for purchasing services on a fee basis; and (2) to operate a cooperative bulk purchasing program for school districts, public school academies, nonpublic schools, and intermediate school districts on a fee basis.

MCL 18.263

## **FISCAL IMPACT:**

The bill will have an indeterminate fiscal impact on the state. There are no data to project the amount of revenue that may be received or the administrative costs of the program since both depend on the number of small businesses that may participate in the program. In addition, any fees collected would be used for expenses incurred by the administration of the program by the Department of Management and Budget.

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