

Legislative Analysis



PROHIBITION ON CONTRACTING WITH PERSONS ENGAGED IN CERTAIN BUSINESS BOYCOTTS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5821 as introduced
Sponsor: Rep. Al Pscholka

Analysis available at
<http://www.legislature.mi.gov>

House Bill 5822 as introduced
Sponsor: Rep. Robert Wittenberg

Committee: Government Operations
Complete to 12-1-16

SUMMARY:

Generally, the bills would prohibit the State of Michigan from contracting with a person engaged in the boycott of a person based in, or doing business with, a jurisdiction with whom this state can enjoy open trade.

“Boycott” is defined in all bills to mean to blacklist, divest from, or otherwise refuse to deal with a person based on race, color, religion, gender, or national origin. Boycott would not include a decision based on business or economic reasons, or the specific conduct of a targeted person; a boycott against a public entity of a foreign state when the boycott is applied in a nondiscriminatory manner; and conduct necessary to comply with applicable law in the person’s home jurisdiction.

“Person” is defined in all bills to mean individual, corporation, company, limited liability company, business association, partnership, society, trust, or any other nongovernmental entity, organization, or group; any governmental entity or agency of a government; and any successor, subunit, parent company, or subsidiary or, or company under common ownership or control with, any entity included in this definition.

“Jurisdiction with which (or whom) this state can enjoy open trade” is defined in all bills to include World Trade Organization members and those with which the United States and Michigan have free trade or other agreements aimed at ensuring open and nondiscriminatory trade relations.

House Bill 5821 would amend the Management and Budget Act (MCL 18.1261) to prohibit the state from contracting with a person to acquire or dispose of supplies, services, or information technology unless the contract affirms that the person is not currently, nor would be in the future, engaged in the boycott of a person based in, or doing business with, a jurisdiction with whom this State can enjoy open trade.

House Bill 5822 would amend the Management and Budget Act by adding a new section that would prohibit the state from contracting with a person for the construction, alteration, or repair of a state building or other state property unless the contract affirms that the person

is not currently, nor would be in the future, engaged in the boycott of a person based in, or doing business with, a jurisdiction with whom this State can enjoy open trade.

FISCAL IMPACT:

The bills would create contracting restrictions concerning certain entities. Any fiscal impact to the state would depend on the alternative options available if a contract were forgone that would otherwise have been entered into or maintained.

Fiscal Analyst: Ben Gielczyk

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.