



**Senate Fiscal Agency**  
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BILL ANALYSIS



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House Bill 5821 (Substitute H-3 as passed by the House)  
House Bill 5822 (Substitute H-1 as passed by the House)  
Sponsor: Representative Al Pscholka (H.B. 5821)  
Representative Robert Wittenberg (H.B. 5822)  
House Committee: Government Operations

**CONTENT**

House Bill 5821 (H-3) would amend the Management and Budget Act to prohibit the Department of Technology, Management, and Budget and all State agencies, beginning October 1, 2017, from entering into a contract with a person to acquire or dispose of supplies, services, or information technology unless the contract included a representation that the person was not currently engaged in, and an agreement that the person would not engage in, the boycott of a person based in or doing business with a strategic partner.

"Strategic partner" would mean a strategic partner described in 22 USC 8601-8606. (Those sections of the United States Code provide for relations between the United States and Israel.)

"Boycott" would mean refusal to have dealings with, divest from, or otherwise engage with a person. The term would not include any of the following:

- A decision based on bona fide business or economic reasons.
- A boycott against a public entity of a foreign state when the boycott is applied in a nondiscriminatory manner.
- Conduct necessary to comply with applicable law in the person's home jurisdiction.

In addition, if consistent with Federal statutes and all other things being equal, the bill would require the Department, in all purchases it made, to give preference to biobased products whose content was sourced in this State. "Biobased product" would mean a product granted the U.S. Department of Agriculture certified biobased product label.

House Bill 5822 (H-1) would amend the Management and Budget Act to prohibit the Department or a State agency, beginning October 1, 2017, from entering into a contract with a person for the construction, alteration, or repair of a State building or other State property unless the contract included a representation that the person was not currently engaged in, and an agreement that the person would not engage in, the boycott of a person based in or doing business with a strategic partner.

"Strategic partner" and "boycott" would be defined as in House Bill 5821 (H-3).

House Bill 5822 (H-1) is tie-barred to House Bill 5821.

MCL 18.1261 (H.B. 5821)  
Proposed MCL 1241c (H.B. 5822)

Legislative Analyst: Suzanne Lowe

## **FISCAL IMPACT**

The bills would have an indeterminate fiscal impact on the State. Depending on the options available should a conflict exist according to the proposed changes in statute, the State could incur additional costs by having to contract with an alternative source. Any costs (or potential savings) would depend on the number of contracts that would be affected by the proposed changes.

The bills would have no fiscal impact on local government.

Date Completed: 12-13-16

Fiscal Analyst: Joe Carrasco

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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.