



**House
Legislative
Analysis
Section**

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FAVOR BIDDERS USING MICHIGAN WORKERS

FILED

MAY 29 1989

House Bill 4530
Sponsor: Rep. Nick Ciaramitaro
**Committee: Economic Development &
Energy**

Mich. State Law Library

Complete to 5-8-89

A SUMMARY OF HOUSE BILL 4530 AS INTRODUCED 4-4-89

The Management and Budget Act provides guidelines for the Department of Management and Budget to follow in rewarding state contracts to interested businesses. The bill would amend the act to specify that the department, when determining the lowest responsible bidder for a state contract, would have to reduce the amount of each submitted bid for that contract by an amount equal to five percent of the amount of the bid attributable to compensation (as defined in the Single Business Tax Act,) paid by the business to Michigan employees who work on, or perform services relative to, the goods relating to that particular contract. A "Michigan employee" would be defined as a person who maintained a legal residence in the state, as specified under the Michigan Election Law. If a bidder was a sole proprietor or partnership, compensation could include "business income," as defined in the Single Business Tax Act. The department, whenever possible, would have to use a Michigan manufacturer or producer as a reference in developing bid specifications. A bidder who provided false or deceptive information that the department used to reduce a bid could be assessed a civil fine that could not exceed the amount of the submitted bid. In addition, the bidder would not be eligible to receive a state contract for six months immediately following the time the department discovered the false or deceptive information.

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House Bill 4530 (5-8-89)