Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bills 564 and 565 (as introduced 6-10-03)
Sponsor: Senator Virg Bernero
Committee: Local, Urban and State Affairs

Date Completed: 12-10-03

CONTENT

Senate Bill 564 would amend the Business Opportunity Act For Persons With Disabilities to require each State department, each year, to award at least 3% of its total expenditures for construction, goods, and services (minus expenditures to sole source venders) to businesses owned by persons with disabilities. Currently, the Act provides that it is the goal of each department to award each year at least 3% of its total expenditures to such businesses.

Senate Bill 565 would amend the Management and Budget Act to provide that "expenditures" under the Act would be subject to the requirements of the Business Opportunity Act For Persons With Disabilities, and define that term as it is defined in that Act. The bill is tie-barred to Senate Bill 564.

Under the Business Opportunity Act For Persons With Disabilities, "expenditures" means payments and contracts for goods, services, and construction that may be acquired competitively and are not regulated by separate authority, and, where a department acts as the sole or primary contracting officer and has selective discretion as to the supplier, vendor, or contractor. This does not apply to expenditures by the Department of Transportation for road and bridge construction projects that receive certain Federal funds. "Business owned by persons with disabilities" means a business in which more than 50% of the voting shares or interest in the business is owned, controlled, and operated by one or more persons with disabilities; more than 50% of the net profit or loss attributable to the business accrues to shareholders who are persons with disabilities; and more than 50% of the employees of the business are State residents.

MCL 450.793 (S.B. 564)
Proposed MCL 18.1297a (S.B. 565)

Legislative Analyst: George Towne

FISCAL IMPACT

The bills would have an indeterminate impact on State government, depending on the extent to which bids awarded under the requirement would possibly exceed the lowest bid or best value bid qualified to perform the contract.

Fiscal Analyst: Bill Bowerman

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