



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 6365 (Substitute H-1 as passed by the House)

House Bill 6366 (Substitute H-1 as passed by the House)

Sponsor: Representative Lee Gonzales (H.B. 6365)

Representative Geoff Hansen (H.B. 6366)

House Committee: Agriculture

Senate Committee: Agriculture

Date Completed: 10-7-08

CONTENT

The bills would amend the Revised School Code to permit a school district, intermediate school district (ISD), or public school academy (PSA) to purchase food that was produced or processed in the State without obtaining competitive bids, if the transaction cost less than \$100,000.

House Bill 6365 (H-1) would apply to a school district or PSA; House Bill 6366 (H-1) would apply to an ISD.

Currently, a school district, ISD, or PSA may not purchase an item or group of items in a single transaction costing \$20,102 or more, unless competitive bids are obtained for the items and the purchase is approved by the school board or board of directors. (The statutory amount must be adjusted annually based on the average consumer price index.)

Under the bills, a school district, ISD, or PSA would not be required to obtain competitive bids for purchasing food that was produced or processed in this State unless the food was purchased in a single transaction costing \$100,000 or more.

MCL 380.1274 (H.B. 6365)
380.623a (H.B. 6366)

Legislative Analyst: Curtis Walker

FISCAL IMPACT

The fiscal impact of these bills on local school districts, public school academies, and intermediate districts is indeterminate. Allowing these entities to forego competitive bidding for purchases of food produced or processed in this State (unless in a single transaction over \$100,000) could increase purchasing flexibility, and potentially result in savings, or could result in higher costs without the use of the competitive bid process.

Fiscal Analyst: Kathryn Summers-Coty

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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.