



Senate Fiscal Agency
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Senate Bill 1055 (as enacted)
Sponsor: Senator Tom Casperson
Senate Committee: Reforms, Restructuring and Reinventing
House Committee: Michigan Competitiveness

PUBLIC ACT 562 of 2014

Date Completed: 1-27-15

RATIONALE

Public Act 153 of 1937 pertains to State printing, and prescribes requirements for responsible bidders on those contracts, subject to certain exceptions. The Act also had required that printing paid for by the State be printed within Michigan. Some suggested that relaxing the in-State printing requirement could decrease costs and increase the number of vendors with which the State can contract for printing.

CONTENT

The bill amended Public Act 153 of 1937 to eliminate a requirement that all printing for which the State is chargeable, or that is paid for with money appropriated by the State, be printed within Michigan.

Previously, the Act provided that all printing for which this State is chargeable, or that is paid for with funds appropriated wholly or in part by this State, with the exception of printing for school districts, counties, townships, villages, cities, or legal publications ordered for or by elective State officers, had to be printed within this State. The bill eliminated this requirement. For such printing, all other things being equal, the bill requires preference to be given for printing offered by Michigan-based firms or by facilities with respect to which the operator is designated a clean corporate citizen under Part 14 of the Natural Resources and Environmental Protection Act. (Part 14 specifies the requirements and benefits of the clean corporate citizen designation.)

Public Act 153 also requires that printing that is chargeable to or paid for by the State bear the label of the branch of the allied printing trades council of the locality in which it is printed. The Act makes an exception to this requirement for printing firms that do not have the use of that union label and wish to submit bids for State printing, if they establish consideration as a responsible bidder as provided in the Act. Under the bill, the exception applies to printing firms that do not have use of the union label in the locality in which the printing is done.

Under the bill, the State-owned printing operation in the G. Robert Cotton Correctional Facility (which is one of four facilities that comprise what was formerly known as the State Prison of Southern Michigan) is exempt from the Act, provided that it does not perform printing other than the requirements of the Department of Corrections. Previously, this exemption applied if the facility did not perform printing except for its own needs.

MCL 24.61

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The Act is a 77-year old law that allowed only print shops in Michigan to offer bids for government printing. According to committee testimony, no other state in the country requires this. By opening up the bidding process, the State might obtain a lower price for its printing work, which will save taxpayer money. The State also may benefit from increased production capabilities and will be able to use an expanded network of specialized production facilities.

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill may result in cost savings to the State; however, the figure is indeterminate. Based on FY 2013-14 estimates, the Department of Technology, Management, and Budget (DTMB) expects to spend \$10.2 million on "in-house" printing and an additional \$2.0 million on printing jobs on behalf of other agencies that are outsourced. All of those outsourced jobs contracted for by the DTMB are with Michigan-based companies. There are additional printing jobs done by other agencies, such as the Bureau of Lottery, that they outsource themselves and the DTMB does not control. For this reason, the amount of potential savings is indeterminate. It will depend on how many of these printing jobs are ultimately outsourced to non-Michigan-based companies and how much less expensive, if at all, these printing jobs ultimately are.

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.