

**SUBSTITUTE FOR  
HOUSE BILL NO. 5050**

A bill to prohibit certain public entities from entering into certain contracts with certain entities that remove or abate asbestos; to require certain entities to disclose certain information when bidding on certain contracts with public entities; and to impose certain duties and responsibilities on certain public entities.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 1. This act shall be known and may be cited as the  
2 "public entity asbestos removal verification act".

3           Sec. 3. As used in this act:

4           (a) "Asbestos" means a group of naturally occurring minerals  
5 that separate into fibers, including chrysotile, amosite,  
6 crocidolite, anthophyllite, tremolite, and actinolite.



1 (b) "Asbestos abatement contractor" means a business entity  
2 that is licensed under the asbestos abatement contractors licensing  
3 act, 1986 PA 135, MCL 338.3101 to 338.3319, and that carries on the  
4 business of asbestos abatement on the premises of another business  
5 entity and not on the asbestos abatement contractor's premises.  
6 Asbestos abatement contractor includes an individual or person with  
7 an ownership interest in a business entity described in this  
8 subdivision.

9 (c) "Asbestos abatement project" means any activity involving  
10 persons working directly with the demolition, renovation, or  
11 encapsulation of friable asbestos materials.

12 (d) "Public entity" means this state or an agency or authority  
13 of this state, school district, community college district,  
14 intermediate school district, city, village, township, county, land  
15 bank, public authority, or public airport authority.

16 Sec. 5. (1) A public entity shall not enter into an asbestos  
17 abatement project with an asbestos abatement contractor, or a  
18 general contractor that contracts with an asbestos abatement  
19 contractor, for the abatement of asbestos unless the public entity  
20 conducts a background investigation, as determined by the public  
21 entity, of the asbestos abatement contractor seeking to bid on the  
22 asbestos abatement project. At a minimum, the background  
23 investigation shall consist of the public entity contacting the  
24 department of environment, Great Lakes, and energy and the  
25 department of labor and economic opportunity to determine if the  
26 asbestos abatement contractor or a general contractor that  
27 contracts with the asbestos abatement contractor has a criminal  
28 conviction related to compliance with environmental regulations. If  
29 the asbestos abatement contractor has a criminal conviction related



1 to compliance with environmental regulations as determined by the  
2 public entity, the public entity shall not enter into a contract  
3 for an asbestos abatement project with that asbestos abatement  
4 contractor. If the asbestos abatement contractor does not have any  
5 criminal convictions related to compliance with environmental  
6 regulations as determined by the public entity, in consultation  
7 with the department of environment, Great Lakes, and energy and the  
8 department of labor and economic opportunity, but has been issued 5  
9 or more notices of violation of environmental regulations, or has  
10 been subject to an administrative consent order or a consent  
11 judgment involving environmental regulations, within the  
12 immediately preceding 5 years, the public entity may not enter into  
13 a contract with that asbestos abatement contractor unless the  
14 public entity investigates each of the violation notices, or the  
15 administrative consent order or consent judgment, and determines  
16 that the asbestos abatement contractor is able to adhere to the  
17 proposed contract based on the public entity's observations of  
18 improvements in performance, improvements in operations to ensure  
19 compliance with environmental regulations, or other demonstrated  
20 ability to comply with environmental regulations. The public entity  
21 shall make the determination described in this subsection in  
22 writing and shall make that determination publicly available.

23 (2) If an asbestos abatement contractor enters into a contract  
24 with a public entity for an asbestos abatement project, the  
25 asbestos abatement contractor shall not enter into a contract with  
26 another asbestos abatement contractor unless the public entity has  
27 conducted a background investigation of that asbestos abatement  
28 contractor in the same manner as provided in subsection (1).

29 (3) Before entering into a contract for an asbestos abatement



1 project with an asbestos abatement contractor, or a general  
2 contractor that contracts with an asbestos abatement contractor,  
3 that has been issued 5 or more notices of violation of  
4 environmental regulations, or has been subject to an administrative  
5 consent order or a consent judgment involving environmental  
6 regulations, within the immediately preceding 5 years, as  
7 determined under subsection (1), the public entity shall conduct  
8 with not less than 30 days' notice a public hearing for public  
9 input.

