

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7140**

**BILL NUMBER:** HB 1468

**NOTE PREPARED:** Dec 30, 2002

**BILL AMENDED:**

**SUBJECT:** Indiana Business Purchasing Preferences.

**FIRST AUTHOR:** Rep. Mays

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill provides a 20% price preference to Indiana businesses for public works and procurement contracts awarded by the state. The bill provides that to be considered responsible, an offeror for a purchase by the state that is required to register with the Secretary of State must have registered not later than 45 days before the solicitation for the purchase is issued.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** *Contracting Costs:* The bill establishes a 20% price preference on bids placed by qualified firms domiciled in Indiana. The proposal could increase the state's contracting costs if the state receives a bid from an out-of-state firm that costs up to twenty percent less than the lowest bid offered by an Indiana firm. For example, if an Ohio firm bids to supply the state with a product for \$100.00 and a qualified Indiana firm offers the product for \$119.99, other things being equal, the bill would require the item be purchased from the Indiana firm.

The impact of this bill on the state's purchasing costs is indeterminable as it will depend on the discrepancy between the offers on specific contracts by Indiana firms and those of out-of-state firms.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Administration; Department of Commerce.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** John Parkey, 317-232-9854