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FISCAL IMPACT STATEMENT

LS 7075

BILL NUMBER: SB 471

NOTE PREPARED: Jan 8, 2004

BILL AMENDED:

SUBJECT: Internet-Based Public Purchasing.

FIRST AUTHOR: Sen. Riegsecker

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill authorizes the Department of Administration to establish Internet sites designed to facilitate state and local public purchasing. It requires the Department of Administration to establish rules and fees for the use of Internet purchasing sites in cooperation with the Intelenet Commission and the State Board of Accounts. The bill permits a municipality to conduct on-line reverse auctions for purchases of supplies and services. It establishes procedures governing the conduct of an on-line reverse auction. This bill requires that Internet purchasing sites be operational before January 1, 2005.

Effective Date: Upon passage; July 1, 2004.

Explanation of State Expenditures: The state has purchased a financial system from the PeopleSoft corporation and is in the process of implementing the procurement module for the state. By February 2, 2004, most state agencies should be trained on the procurement system.

The state could incur some additional cost in obtaining the expansion of the PeopleSoft license and additional hardware to facilitate the on-line reverse auction component of the bill.

The bill allows the Department of Administration to charge a user fee paid by bidders using the Internet purchasing site or the reverse auction option.

Assuming the user fees cover the additional costs, the bill could reduce state and local expenditures by providing greater purchasing options.

Explanation of State Revenues:

Explanation of Local Expenditures: *See Explanation of State Expenditures.*

Explanation of Local Revenues:

State Agencies Affected: All Agencies.

Local Agencies Affected: Municipalities.

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