



January 25, 2011

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## HOUSE BILL No. 1183

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DIGEST OF HB 1183 (Updated January 25, 2011 12:47 pm - DI 87)

**Citations Affected:** IC 2-5; IC 5-22.

**Synopsis:** Indiana business price preferences. Provides an additional preference for purchases made by a state agency for supplies manufactured or assembled by an Indiana business in Indiana. Deletes a provision specifying that the Indiana price preferences are ignored in certain circumstances if an offeror is from a state bordering Indiana. Establishes the interim study committee on veterans' procurement preferences.

**Effective:** July 1, 2011.

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**Dermody, Goodin**

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January 10, 2011, read first time and referred to Committee on Government and Regulatory Reform.  
January 25, 2011, amended, reported — Do Pass.

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HB 1183—LS 6306/DI 14+



January 25, 2011

First Regular Session 117th General Assembly (2011)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2010 Regular Session of the General Assembly.

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## HOUSE BILL No. 1183

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A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 2-5-31 IS ADDED TO THE INDIANA CODE AS  
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2011]:  
4 **Chapter 31. Interim Study Committee on Veterans'**  
5 **Procurement Preferences**  
6 **Sec. 1. As used in this chapter, "committee" refers to the**  
7 **interim study committee on veterans' procurement preferences**  
8 **established by section 2 of this chapter.**  
9 **Sec. 2. The interim study committee on veterans' procurement**  
10 **preferences is established.**  
11 **Sec. 3. The committee shall operate under the policies governing**  
12 **study committees adopted by the legislative council.**  
13 **Sec. 4. The affirmative votes of a majority of the voting**  
14 **members appointed to the committee are required for the**  
15 **committee to take action on any measure, including final reports.**  
16 **Sec. 5. The committee shall study and make recommendations**  
17 **to the legislative council concerning a state preference**

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1 procurement program to benefit veteran owned businesses in  
2 Indiana. The committee's research may include a review of  
3 veterans' preference programs in other states as well as municipal  
4 veterans' preference programs in Indiana.

5 Sec. 6. Before November 1, 2011, the committee shall issue a  
6 final report to the legislative council containing the findings and  
7 recommendations of the committee.

8 Sec. 7. This chapter expires December 31, 2011.

9 SECTION 2. IC 5-22-15-20.5, AS AMENDED BY P.L.123-2009,  
10 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
11 JULY 1, 2011]: Sec. 20.5. (a) This section applies only to a contract  
12 awarded by a state agency.

13 (b) As used in this section, "Indiana business" refers to any of the  
14 following:

15 (1) A business whose principal place of business is located in  
16 Indiana.

17 (2) A business that pays a majority of its payroll (in dollar  
18 volume) to residents of Indiana.

19 (3) A business that employs Indiana residents as a majority of its  
20 employees.

21 (4) A business that makes significant capital investments in  
22 Indiana.

23 (5) A business that has a substantial positive economic impact on  
24 Indiana as defined by criteria developed under subsection (c).

25 (c) The Indiana department of administration shall consult with the  
26 Indiana economic development corporation in developing criteria for  
27 determining whether a business is an Indiana business under subsection  
28 (b). The Indiana department of administration may consult with the  
29 Indiana economic development corporation to determine whether a  
30 particular business meets the requirements of this section and the  
31 criteria developed under this subsection.

32 (d) There are the following price preferences for supplies purchased  
33 from an Indiana business:

34 (1) Five percent (5%) for a purchase expected by the state agency  
35 to be less than five hundred thousand dollars (\$500,000).

36 (2) Three percent (3%) for a purchase expected by the state  
37 agency to be at least five hundred thousand dollars (\$500,000) but  
38 less than one million dollars (\$1,000,000).

39 (3) One percent (1%) for a purchase expected by the state agency  
40 to be at least one million dollars (\$1,000,000).

41 (e) Notwithstanding subsection (d), a state agency shall award a  
42 contract to the lowest responsive and responsible offeror, regardless of

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the preference provided in this section, if:

- (1) the offeror is an Indiana business; or
- (2) the offeror is a business from a state bordering Indiana and the business's home state does not provide a preference to the home state's businesses more favorable than is provided by Indiana law to Indiana businesses.

(e) If an Indiana business offers to provide supplies manufactured or assembled in Indiana, the following price preference is available, in addition to the price preference available under subsection (d):

- (1) Three percent (3%) for a purchase expected by the state agency to be less than five hundred thousand dollars (\$500,000).
- (2) Two percent (2%) for a purchase expected by the state agency to be at least five hundred thousand dollars (\$500,000) but less than one million dollars (\$1,000,000).
- (3) One percent (1%) for a purchase expected by the state agency to be at least one million dollars (\$1,000,000).

The Indiana department of administration shall adopt rules under IC 4-22-2 to establish guidelines for determining when supplies are manufactured or assembled in Indiana.

(f) A business that wants to claim a preference provided under this section must do all of the following:

- (1) State in the business's bid that the business claims the preference provided by this section.
- (2) Provide the following information to the department:
  - (A) The location of the business's principal place of business. If the business claims the preference as an Indiana business described in subsection (b)(1), a statement explaining the reasons the business considers the location named as the business's principal place of business.
  - (B) The amount of the business's total payroll and the amount of the business's payroll paid to Indiana residents.
  - (C) The number of the business's employees and the number of the business's employees who are Indiana residents.
  - (D) If the business claims the preference as an Indiana business described in subsection (b)(4), a description of the capital investments made in Indiana and a statement of the amount of those capital investments.
  - (E) If the business claims the preference as an Indiana business described in subsection (b)(5), a description of the substantial positive economic impact the business has on

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Government and Regulatory Reform, to which was referred House Bill 1183, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 2-5-31 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]:

**Chapter 31. Interim Study Committee on Veterans' Procurement Preferences**

**Sec. 1. As used in this chapter, "committee" refers to the interim study committee on veterans' procurement preferences established by section 2 of this chapter.**

**Sec. 2. The interim study committee on veterans' procurement preferences is established.**

**Sec. 3. The committee shall operate under the policies governing study committees adopted by the legislative council.**

**Sec. 4. The affirmative votes of a majority of the voting members appointed to the committee are required for the committee to take action on any measure, including final reports.**

**Sec. 5. The committee shall study and make recommendations to the legislative council concerning a state preference procurement program to benefit veteran owned businesses in Indiana. The committee's research may include a review of veterans' preference programs in other states as well as municipal veterans' preference programs in Indiana.**

**Sec. 6. Before November 1, 2011, the committee shall issue a final report to the legislative council containing the findings and recommendations of the committee.**

**Sec. 7. This chapter expires December 31, 2011."**

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1183 as introduced.)

HINKLE, Chair

Committee Vote: yeas 9, nays 0.

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