



Reprinted
February 9, 2011

HOUSE BILL No. 1183

DIGEST OF HB 1183 (Updated February 8, 2011 4:11 pm - DI 14)

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. Requires the commission on military and veterans' affairs to study veterans' procurement preferences. Provides that a governmental body may give up to a ten percent (10%) price preference for agricultural products grown, produced, or processed in Indiana.

Effective: July 1, 2011.

Dermody, Goodin

January 10, 2011, read first time and referred to Committee on Government and Regulatory Reform.
January 25, 2011, amended, reported — Do Pass.
February 8, 2011, read second time, amended, ordered engrossed.

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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

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 2-5-20-7 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2011]: Sec. 7. (a) The commission shall study
3 the following:

4 (1) Matters relating to veterans and veterans' affairs.
5 (2) Matters relating to the active and reserve members of the
6 armed forces of the United States.

7 (b) The commission may study other topics assigned by the
8 legislative council or as directed by the commission's chairman.

9 (c) **The commission shall study veterans' procurement**
10 **preferences and provide the legislative council with a report before**
11 **November 1, 2011. The report shall be in electronic format under**
12 **IC 5-14-6. As part of the study, the commission shall work with the**
13 **Indiana department of administration created by IC 4-13-1-2.**

14 SECTION 2. IC 5-22-15-7 IS AMENDED TO READ AS
15 FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 7. (a) An offeror may
16 claim one (1) of the following types of preference for which the offeror
17 is eligible:

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- 1 (1) An Indiana business preference under rules adopted under
- 2 section 20 of this chapter or IC 4-13.6-6-2.5.
- 3 (2) A preference for supplies as provided by sections 16, 18, 19,
- 4 and 24 of this chapter.
- 5 (3) An Indiana small business preference as provided by section
- 6 23 of this chapter.
- 7 **(4) An Indiana farm product preference as provided by**
- 8 **section 23.5 of this chapter.**
- 9 (b) An offeror may not claim more than one (1) preference as
- 10 provided by sections 16, 18, 19, and 24 of this chapter for a given
- 11 supply item.
- 12 (c) This section does not:
- 13 (1) apply to; or
- 14 (2) limit;
- 15 action of the Indiana department of administration under rules adopted
- 16 under section 21 of this chapter.
- 17 SECTION 3. IC 5-22-15-20.5, AS AMENDED BY P.L.123-2009,
- 18 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 19 JULY 1, 2011]: Sec. 20.5. (a) This section applies only to a contract
- 20 awarded by a state agency.
- 21 (b) As used in this section, "Indiana business" refers to any of the
- 22 following:
- 23 (1) A business whose principal place of business is located in
- 24 Indiana.
- 25 (2) A business that pays a majority of its payroll (in dollar
- 26 volume) to residents of Indiana.
- 27 (3) A business that employs Indiana residents as a majority of its
- 28 employees.
- 29 (4) A business that makes significant capital investments in
- 30 Indiana.
- 31 (5) A business that has a substantial positive economic impact on
- 32 Indiana as defined by criteria developed under subsection (c).
- 33 (c) The Indiana department of administration shall consult with the
- 34 Indiana economic development corporation in developing criteria for
- 35 determining whether a business is an Indiana business under subsection
- 36 (b). The Indiana department of administration may consult with the
- 37 Indiana economic development corporation to determine whether a
- 38 particular business meets the requirements of this section and the
- 39 criteria developed under this subsection.
- 40 (d) There are the following price preferences for supplies purchased
- 41 from an Indiana business:
- 42 (1) Five percent (5%) for a purchase expected by the state agency

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1 to be less than five hundred thousand dollars (\$500,000).
 2 (2) Three percent (3%) for a purchase expected by the state
 3 agency to be at least five hundred thousand dollars (\$500,000) but
 4 less than one million dollars (\$1,000,000).
 5 (3) One percent (1%) for a purchase expected by the state agency
 6 to be at least one million dollars (\$1,000,000).
 7 (e) Notwithstanding subsection (d), a state agency shall award a
 8 contract to the lowest responsive and responsible offeror, regardless of
 9 the preference provided in this section, if:
 10 (1) the offeror is an Indiana business; or
 11 (2) the offeror is a business from a state bordering Indiana and the
 12 business's home state does not provide a preference to the home
 13 state's businesses more favorable than is provided by Indiana law
 14 to Indiana businesses.
 15 (e) If an Indiana business offers to provide supplies
 16 manufactured or assembled in Indiana, and if two (2) or more bids
 17 submitted were the same, the following price preference is
 18 available to the Indiana business, in addition to the price
 19 preference available under subsection (d):
 20 (1) Three percent (3%) for a purchase expected by the state
 21 agency to be less than five hundred thousand dollars
 22 (\$500,000).
 23 (2) Two percent (2%) for a purchase expected by the state
 24 agency to be at least five hundred thousand dollars (\$500,000)
 25 but less than one million dollars (\$1,000,000).
 26 (3) One percent (1%) for a purchase expected by the state
 27 agency to be at least one million dollars (\$1,000,000).
 28 **The Indiana department of administration shall adopt rules under**
 29 **IC 4-22-2 to establish guidelines for determining when supplies are**
 30 **manufactured or assembled in Indiana.**
 31 (f) A business that wants to claim a preference provided under this
 32 section must do all of the following:
 33 (1) State in the business's bid that the business claims the
 34 preference provided by this section.
 35 (2) Provide the following information to the department:
 36 (A) The location of the business's principal place of business.
 37 If the business claims the preference as an Indiana business
 38 described in subsection (b)(1), a statement explaining the
 39 reasons the business considers the location named as the
 40 business's principal place of business.
 41 (B) The amount of the business's total payroll and the amount
 42 of the business's payroll paid to Indiana residents.

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1 (C) The number of the business's employees and the number
 2 of the business's employees who are Indiana residents.
 3 (D) If the business claims the preference as an Indiana
 4 business described in subsection (b)(4), a description of the
 5 capital investments made in Indiana and a statement of the
 6 amount of those capital investments.
 7 (E) If the business claims the preference as an Indiana
 8 business described in subsection (b)(5), a description of the
 9 substantial positive economic impact the business has on
 10 Indiana.
 11 SECTION 4. IC 5-22-15-23.5 IS ADDED TO THE INDIANA
 12 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 13 [EFFECTIVE JULY 1, 2011]: **Sec. 23.5. (a) A governmental body**
 14 **may give up to a ten percent (10%) price preference for**
 15 **agricultural products grown, produced, or processed in Indiana.**
 16 **(b) A governmental body may adopt rules to establish criteria**
 17 **to carry out this section.**

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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."

Renumber 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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HOUSE MOTION

Mr. Speaker: I move that House Bill 1183 be amended to read as follows:

Page 2, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 2. IC 5-22-15-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 7. (a) An offeror may claim one (1) of the following types of preference for which the offeror is eligible:

- (1) An Indiana business preference under rules adopted under section 20 of this chapter or IC 4-13.6-6-2.5.
- (2) A preference for supplies as provided by sections 16, 18, 19, and 24 of this chapter.
- (3) An Indiana small business preference as provided by section 23 of this chapter.
- (4) An Indiana farm product preference as provided by section 23.5 of this chapter.**

(b) An offeror may not claim more than one (1) preference as provided by sections 16, 18, 19, and 24 of this chapter for a given supply item.

(c) This section does not:

- (1) apply to; or
- (2) limit;

action of the Indiana department of administration under rules adopted under section 21 of this chapter."

Page 4, after line 1, begin a new paragraph and insert:

"SECTION 4. IC 5-22-15-23.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: **Sec. 23.5. (a) A governmental body may give up to a ten percent (10%) price preference for agricultural products grown, produced, or processed in Indiana.**

(b) A governmental body may adopt rules to establish criteria to carry out this section."

Re-number all SECTIONS consecutively.

(Reference is to HB 1183 as printed January 25, 2011.)

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1183 be amended to read as follows:

Page 1, delete lines 1 through 17.

Page 2, delete lines 1 through 8, begin a new paragraph and insert: "SECTION 1. IC 2-5-20-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 7. (a) The commission shall study the following:

(1) Matters relating to veterans and veterans' affairs.

(2) Matters relating to the active and reserve members of the armed forces of the United States.

(b) The commission may study other topics assigned by the legislative council or as directed by the commission's chairman.

(c) The commission shall study veterans' procurement preferences and provide the legislative council with a report before November 1, 2011. The report shall be in electronic format under IC 5-14-6. As part of the study, the commission shall work with the Indiana department of administration created by IC 4-13-1-2."

Page 3, line 8, after "Indiana," insert "**and if two (2) or more bids submitted were the same,**".

Page 3, line 9, delete "available," and insert "**available to the Indiana business,**".

Re-number all SECTIONS consecutively.

(Reference is to HB 1183 as printed January 25, 2011.)

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