



HOUSE BILL No. 1183

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-22-15-20.5.

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.

Effective: July 1, 2011.

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January 10, 2011, read first time and referred to Committee on Government and Regulatory Reform.

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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 5-22-15-20.5, AS AMENDED BY P.L.123-2009,
- 2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2011]: Sec. 20.5. (a) This section applies only to a contract
- 4 awarded by a state agency.
- 5 (b) As used in this section, "Indiana business" refers to any of the
- 6 following:
- 7 (1) A business whose principal place of business is located in
- 8 Indiana.
- 9 (2) A business that pays a majority of its payroll (in dollar
- 10 volume) to residents of Indiana.
- 11 (3) A business that employs Indiana residents as a majority of its
- 12 employees.
- 13 (4) A business that makes significant capital investments in
- 14 Indiana.
- 15 (5) A business that has a substantial positive economic impact on
- 16 Indiana as defined by criteria developed under subsection (c).
- 17 (c) The Indiana department of administration shall consult with the



1 Indiana economic development corporation in developing criteria for
2 determining whether a business is an Indiana business under subsection
3 (b). The Indiana department of administration may consult with the
4 Indiana economic development corporation to determine whether a
5 particular business meets the requirements of this section and the
6 criteria developed under this subsection.

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

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

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

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

16 (e) Notwithstanding subsection (d), a state agency shall award a
17 contract to the lowest responsive and responsible offeror, regardless of
18 the preference provided in this section, if:

19 (1) the offeror is an Indiana business; or

20 (2) the offeror is a business from a state bordering Indiana and the
21 business's home state does not provide a preference to the home
22 state's businesses more favorable than is provided by Indiana law
23 to Indiana businesses.

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

28 (1) Three percent (3%) for a purchase expected by the state
29 agency to be less than five hundred thousand dollars
30 (\$500,000).

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

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

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

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

41 (1) State in the business's bid that the business claims the
42 preference provided by this section.

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- 1 (2) Provide the following information to the department:
- 2 (A) The location of the business's principal place of business.
- 3 If the business claims the preference as an Indiana business
- 4 described in subsection (b)(1), a statement explaining the
- 5 reasons the business considers the location named as the
- 6 business's principal place of business.
- 7 (B) The amount of the business's total payroll and the amount
- 8 of the business's payroll paid to Indiana residents.
- 9 (C) The number of the business's employees and the number
- 10 of the business's employees who are Indiana residents.
- 11 (D) If the business claims the preference as an Indiana
- 12 business described in subsection (b)(4), a description of the
- 13 capital investments made in Indiana and a statement of the
- 14 amount of those capital investments.
- 15 (E) If the business claims the preference as an Indiana
- 16 business described in subsection (b)(5), a description of the
- 17 substantial positive economic impact the business has on
- 18 Indiana.

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