CONFERENCE COMMITTEE REPORT
DIGEST FOR EHB 1183

Citations Affected: IC 2-5-20-7; 4IC 5-22-15.

Synopsis: Indiana business price preferences. Conference committee report for EHB 1183. Provides an additional preference for purchases made by a state agency for supplies manufactured, assembled, or produced by an Indiana business in Indiana. Provides a price preference for agriculture products grown or produced 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. **(This conference committee report removes a provision that provides a price preference to local Indiana businesses bidding on purchasing and public works contracts awarded by political subdivisions. The conference committee report returns the agricultural preference passed by the House.)**

Effective: July 1, 2011.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT:

Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill No. 1183 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

Delete everything after the enacting clause and insert the following:

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 must be in an 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.

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.

SECTION 3. IC 5-22-15-20.5, AS AMENDED BY P.L.123-2009, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2011]: Sec. 20.5. (a) This section applies only to a contract awarded by a state agency.

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

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

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

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

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

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

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

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

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

(2) Three percent (3%) 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).

~~(e) Notwithstanding subsection (d), a state agency shall award a contract to the lowest responsive and responsible offeror, regardless of 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, assembled, or produced in Indiana, and if two (2) or more bids submitted were the same, the following price preference is available to the Indiana business, 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 Indiana.

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.

(Reference is to EHB 1183 as reprinted March 25, 2011.)

Conference Committee Report
on
Engrossed House Bill 1183

Signed by:

_____	_____
Representative Dermody Chairperson	Senator Charbonneau
_____	_____
Representative Goodin	Senator Arnold
House Conferees	**Senate Conferees**