

SENATE BILL 244

Introduced by Keating, et al.

1/26	Introduced
1/26	Referred to Business & Industry
1/27	Fiscal Note Requested
2/02	Fiscal Note Received
2/04	Fiscal Note Printed
2/07	Hearing
	Died in Committee

1 *Sen. Bill No. 244*
2 INTRODUCED BY *Senator Bob Jacobsen*
3 BY REQUEST OF THE LEGISLATIVE AUDIT COMMITTEE *Jensen*
4 *Bradley*

5 A BILL FOR AN ACT ENTITLED: "AN ACT PERMITTING A BIDDER FOR
6 A PUBLIC CONTRACT TO RECEIVE A RESIDENT BIDDER PREFERENCE IF
7 HE HAS A SIGNIFICANT ECONOMIC PRESENCE IN THE STATE; AND
8 AMENDING SECTION 18-1-101, MCA."

9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 **Section 1.** Section 18-1-101, MCA, is amended to read:

12 "18-1-101. Definitions. (1) Unless the context
13 requires otherwise, in this title "department" means the
14 department of administration provided for in Title 2,
15 chapter 15, part 10.

16 (2) Unless the context requires otherwise, in this
17 part the following definitions apply:

18 (a) "Goods" means supplies, equipment, materials,
19 commodities, and specially manufactured products.

20 (b) "Montana-made" means manufactured or produced in
21 this state and made with the:

22 (i) use of parts, materials, or supplies of which 50%
23 or more were manufactured or produced in this state; or

24 (ii) employment of persons of whom 50% or more are bona
25 fide residents of Montana as defined in 18-2-401.

1 (c) "Nonresident bidder" means a bidder whose
2 residence is not in this state as determined under 18-1-103
3 or who does not have a significant economic presence in the
4 state.

5 (d) "Public agency" means a department, commission,
6 council, board, bureau, committee, institution, agency,
7 government corporation, or other entity, instrumentality, or
8 official of the legislative, executive, or judicial branch
9 of this state and its political subdivisions, including the
10 board of regents and the Montana university system.

11 (e) "Resident bidder" means a bidder whose residence
12 is in this state as determined under 18-1-103 or a bidder
13 who has a significant economic presence in the state.

14 (f) "Significant economic presence" means:

15 (i) maintaining a permanent place of business in this
16 state; and

17 (ii) being registered or licensed to do business in
18 this state."

19 **NEW SECTION. Section 2.** Extension of authority. Any
20 existing authority to make rules on the subject of the
21 provisions of [this act] is extended to the provisions of
22 [this act].

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB244, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An Act permitting a bidder for a public contract to receive a resident bidder preference if he has a significant economic presence in the state.

ASSUMPTIONS:

1. The Legislative Auditors completed a Performance Audit of "In-State Bidders Preference" at the Purchasing Bureau, March 1988. They stated that bidders eligible for the preference sold \$9.4 million of goods and services to state government through invitations for bids for FY87. \$284,000 of the \$9.4 million, resulted from application of the preference. In applying the economic preference approximately \$190,000 of the \$284,000 awarded to preference vendors would have been awarded to vendors with Montana addresses. Applying economic preference would have incurred some additional cost (approximately \$4,000).
2. No dollar amount is included for purchasing agencies that have purchasing authority, for the Property and Supply Bureau or the Publications and Graphics Bureau.
3. No dollar amount is included for purchases made by the Purchasing Bureau through the term contract process.
4. No inflation is reflected in estimates.

FISCAL IMPACT:

Expenditures for all goods and services purchased for the state would be impacted by this legislation.

<u>FY90</u>			<u>FY91</u>		
Current	Proposed		Current	Proposed	
<u>Law</u>	<u>Law</u>	<u>Difference</u>	<u>Law</u>	<u>Law</u>	<u>Difference</u>
\$36,200,000	\$36,204,000	\$4,000	\$36,200,000	\$36,204,000	\$4,000

The net cost of this legislation is estimated at \$8,000 over the 1990 biennium. It is not possible to determine the impact on each fund type because it is dependent upon the funding sources of each agency.

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

Preference laws apply to local governments and school districts and an increase should result on local expenditures.



RAY SHACKLEFORD, BUDGET DIRECTOR
OFFICE OF BUDGET AND PROGRAM PLANNING

2/2/89

DATE



THOMAS F. KEATING, PRIMARY SPONSOR

2/3/89
DATE

Fiscal Note for SB244, as introduced

SB 244