



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-1099/1
MES&MPG:amn

2017 ASSEMBLY BILL 45

January 31, 2017 - Introduced by Representatives SUBECK, MASON, ANDERSON, BARCA, BERCEAU, BILLINGS, BOWEN, CROWLEY, FIELDS, GOYKE, HESSELBEIN, KOLSTE, MEYERS, MILROY, OHNSTAD, POPE, RIEMER, SARGENT, SHANKLAND, SINICKI, SPREITZER, C. TAYLOR, WACHS and ZAMARRIPA, cosponsored by Senators HANSEN, L. TAYLOR, CARPENTER, ERPENBACH, JOHNSON, C. LARSON and WIRCH. Referred to Committee on Government Accountability and Oversight.

1 **AN ACT to renumber** 16.754 (1) (a) and 16.754 (2); **to amend** 16.72 (2) (c), 16.754
2 (title), 16.754 (2) (title) and 16.754 (3) (intro.); and **to create** 16.754 (1) (am),
3 16.754 (2) (a), 16.754 (2m) and 66.0145 of the statutes; **relating to:** state
4 procurement of products and services from businesses located in this state and
5 setting a goal for local government to purchase a certain percentage of products
6 and services from businesses located in this state.

Analysis by the Legislative Reference Bureau

This bill requires the Department of Administration and any agency making purchases to attempt to ensure that at least 20 percent of the total amount expended for procurement in each fiscal year is from Wisconsin-based businesses and that, in any fiscal year, the percentage of the total amount expended from Wisconsin-based businesses will not be lower than it was in the previous fiscal year. To measure compliance with this exception, the bill requires DOA to collect data from a person who bids for a contract regarding the person's principal place of business and make the information publicly available on its Internet site.

This bill also sets a goal that at least 20 percent of the aggregate value of the annual purchases of products and services by a local governmental unit (which includes cities, villages, towns, counties, and special purpose districts, which include schools and technical college districts) will be from Wisconsin-based businesses. A further goal is that, in any year, the percentage of the aggregate value of routine

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purchases of products and services from Wisconsin-based businesses will not be lower than it was in the previous year. The bill also requires a local governmental unit to annually evaluate its performance in reaching these goals, and make the evaluation available to the public, but the political subdivision's governing body may vote to opt out of these requirements.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 16.72 (2) (c) of the statutes is amended to read:

2 16.72 (2) (c) To the extent possible, the department shall write specifications
3 so as to permit the purchase of materials manufactured in the United States, as
4 defined in s. 16.754 (1) (b), or the purchase of local products or services, as defined
5 in s. 66.0145 (1) (b).

6 **SECTION 2.** 16.754 (title) of the statutes is amended to read:

7 **16.754** (title) **Preference for local products and services and**
8 **American-made materials.**

9 **SECTION 3.** 16.754 (1) (a) of the statutes is renumbered 16.754 (1) (ar).

10 **SECTION 4.** 16.754 (1) (am) of the statutes is created to read:

11 16.754 (1) (am) "Local product or service" has the meaning given in s. 66.0145
12 (1) (b).

13 **SECTION 5.** 16.754 (2) (title) of the statutes is amended to read:

14 16.754 (2) (title) PURCHASE PREFERENCE PREFERENCES.

15 **SECTION 6.** 16.754 (2) of the statutes is renumbered 16.754 (2) (b).

16 **SECTION 7.** 16.754 (2) (a) of the statutes is created to read:

17 16.754 (2) (a) The department, a designated purchasing agent under s. 16.71
18 (1), and each agency making purchases under s. 16.74 shall attempt to ensure that

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1 at least 20 percent of the total amount expended under this subchapter in each fiscal
2 year is for local products or services, and it shall be a further goal that the percentage
3 of the total amount expended in any fiscal year for local products or services will not
4 be lower than the percentage of the total amount expended in the previous fiscal year
5 for local products or services.

6 **SECTION 8.** 16.754 (2m) of the statutes is created to read:

7 16.754 (2m) DATA. For purposes of measuring compliance with sub. (2) (a), the
8 department shall collect from a person who responds to a proposal or submits a bid
9 for a contract information regarding the person's principal place of business. The
10 department shall make available to the public on its Internet site the data it collects
11 under this subsection as well as an annual evaluation of how well the department,
12 its designated purchasing agents, and any agency making purchases under s. 16.74
13 are meeting the goal under sub. (2) (a).

14 **SECTION 9.** 16.754 (3) (intro.) of the statutes is amended to read:

15 16.754 (3) EXEMPTIONS. (intro.) Subsection (2) (b) does not apply if the
16 materials are purchased for the purpose of commercial resale or for the purpose of
17 use in the production of goods for commercial sale. Subsection (2) (b) does not apply
18 to the purchase of stationery and printing materials. Subsection (2) (b) does not
19 apply if the department determines, under s. 16.75 (1) (a) 2., that the foreign nation
20 or subdivision thereof in which the vendor is domiciled does not give preference to
21 vendors domiciled in that nation or subdivision in making governmental purchases.
22 Subsection (2) (b) does not apply if the department or other person having
23 contracting authority in respect to the purchase determines that:

24 **SECTION 10.** 66.0145 of the statutes is created to read:

ASSEMBLY BILL 45**SECTION 10**

1 **66.0145 Purchases of Wisconsin goods and services. (1) DEFINITIONS.** In
2 this section:

3 (a) “Local governmental unit” has the meaning given in s. 66.0135 (1) (c).

4 (b) “Local product or service” means a product or service that is purchased from
5 a person whose principal place of business is located in this state.

6 **(2) PURCHASING GOALS.** (a) It shall be a goal of a local governmental unit that,
7 annually, at least 20 percent of the aggregate value of purchases of products and
8 services by that local governmental unit shall be local products or services, and it
9 shall be a further goal of the local governmental unit that the percentage of the
10 aggregate value of routine purchases of products and services in any year that are
11 local products and services will not be lower than the aggregate value of such routine
12 purchases in the previous year.

13 (b) A local governmental unit shall evaluate its performance in reaching the
14 goals specified in par. (a) and shall annually make this evaluation available to the
15 public, except that these requirements do not apply to any local governmental unit
16 whose governing body enacts an ordinance, adopts a resolution, or takes other official
17 action stating that it chooses not to conduct an evaluation of its performance in
18 reaching the goals.

19 **SECTION 11. Initial applicability.**

20 (1) The treatment of section 66.0145 of the statutes and the creation of section
21 16.754 (2) (a) of the statutes first apply to purchases made in the fiscal year that
22 begins in the year after this subsection takes effect.

