

### Fiscal Estimate - 2015 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>15-1056/1</b>	<b>Introduction Number</b> <b>AB-0020</b>	
<b>Description</b> Preference in state and local government contracts and procurement for materials manufactured in the United States		
<b>Fiscal Effect</b>		
<b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
<b>Agency/Prepared By</b> WTCS/ Layla Merrifield (608) 266-2449	<b>Authorized Signature</b> James Zylstra (608) 266-1739	<b>Date</b> 2/19/2015

**Fiscal Estimate Narratives**  
**WTCS 2/19/2015**

LRB Number	<b>15-1056/1</b>	Introduction Number	<b>AB-0020</b>	Estimate Type	<b>Original</b>
<b>Description</b> Preference in state and local government contracts and procurement for materials manufactured in the United States					

**Assumptions Used in Arriving at Fiscal Estimate**

Under current law, DOA is generally authorized to purchase, or delegate the authority to purchase, all necessary materials and contractual services for all state agencies. With some exceptions, orders or contracts must be awarded to the lowest bidder. One such exception requires, if all other factors are substantially equal, the purchasing agent to purchase materials which are mined, produced, manufactured, fabricated, or assembled to the greatest extent in the United States.

Under the bill, with limited exceptions, the state must purchase materials that are manufactured to the greatest extent in the United States, regardless of whether all other factors are substantially equal. This bill also requires, with limited exceptions, that a contract for a public works or public improvement project must contain a provision that the contractor will use materials that are manufactured in the United States. Under Current law, if a technical college district wishes to let a public contract involving the construction or repair of any public work or building, or the furnishing of supplies or materials, there are a number of bidding requirements that apply to such contracts. The bill adds another requirement to public contracts entered into by local units of government. Under this bill, such a public contract must contain a provision that the contractor will use materials that are manufactured in the United States in the performance of the contract.

At this time the cost of adding these requirements are indeterminate as there is no easily available source to determine what components of any product are produced in the United States. Data is not available on any increased costs of materials if the lowest bidder were not chosen due to the materials not being manufactured in the United States.

Local government costs are indeterminate.

**Long-Range Fiscal Implications**