

2009 ASSEMBLY BILL 1

January 16, 2009 – Introduced by Representatives CLARK, MOLEPSKE, BERNARD SCHABER, BENEDICT, BERCEAU, BLACK, DANOU, HIXSON, MASON, NELSON, PARISI, PASCH, POPE-ROBERTS, RADCLIFFE, RICHARDS, ROYS, SEIDEL, SHERIDAN, SHILLING, SINICKI, SMITH, VAN AKKEREN, A. WILLIAMS, ZIGMUNT, JORGENSEN and BARCA, cosponsored by Senators PLALE and ERPENBACH. Referred to Committee on Jobs, the Economy and Small Business.

1 **AN ACT** *to repeal* 16.75 (1) (a) 2.; *to renumber* 16.754 (1) (a); *to renumber and*
 2 *amend* 16.754 (2); *to amend* 16.72 (2) (c), 16.754 (title), 16.754 (2) (title) and
 3 16.754 (3) (intro.); and *to create* 16.754 (1) (am), 16.754 (2) (a) and 66.0145 of
 4 the statutes; **relating to:** state procurement of products and services from
 5 businesses located in this state and setting a goal for local government to
 6 purchase a certain percentage of products and services from businesses located
 7 in this state.

Analysis by the Legislative Reference Bureau

Current law generally authorizes the Department of Administration (DOA) 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 exception requires DOA to give a preference to Wisconsin producers, distributors, suppliers, and retailers over any out-of-state vendor that is domiciled in a jurisdiction that grants a preference to vendors domiciled in that jurisdiction. This bill deletes that exception and, instead, requires DOA and any agency making purchases to attempt to ensure that at least 2 percent of the total amount expended for such procurement in each fiscal year is from Wisconsin-based businesses; however, in any fiscal year, the percentage of the total amount expended from Wisconsin-based businesses may not be lower than it was in the previous fiscal year.

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This bill also sets a goal that at least 2 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 purchases of products and services from Wisconsin-based businesses will not be lower than it was in the previous year.

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. 16.754 (1) (am).

6 **SECTION 2.** 16.75 (1) (a) 2. of the statutes is repealed.

7 **SECTION 3.** 16.754 (title) of the statutes is amended to read:

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

10 **SECTION 4.** 16.754 (1) (a) of the statutes is renumbered 16.754 (1) (ar).

11 **SECTION 5.** 16.754 (1) (am) of the statutes is created to read:

12 16.754 (1) (am) “Local product or service” has the meaning given in s. 66.0145
13 (1) (b).

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

15 16.754 (2) (title) **PURCHASE PREFERENCE PREFERENCES.**

16 **SECTION 7.** 16.754 (2) of the statutes is renumbered 16.754 (2) (b) and amended
17 to read:

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1 16.754 **(2)** (b) Notwithstanding s. 16.75 ~~(1) (a) 2.,~~ (2), (2m) and (6), when all
2 other factors are substantially equal the state shall purchase materials which are
3 manufactured to the greatest extent in the United States.

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

5 16.754 **(2)** (a) The department, any other designated purchasing agent under
6 s. 16.71 (1), and any agency making purchases under s. 16.74 shall attempt to ensure
7 that at least 2 percent of the total amount expended under this subchapter in each
8 fiscal year is for local products or services except the percentage of the total amount
9 expended in any fiscal year for local products or services may not be lower than the
10 percentage of the total amount expended in the previous fiscal year for local products
11 or services.

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

13 16.754 **(3)** EXEMPTIONS. (intro.) Subsection (2) (b) does not apply if the
14 materials are purchased for the purpose of commercial resale or for the purpose of
15 use in the production of goods for commercial sale. Subsection (2) (b) does not apply
16 to the purchase of stationery and printing materials. Subsection (2) (b) does not
17 apply if the department determines, ~~under s. 16.75 (1) (a) 2.,~~ that the foreign nation
18 or subdivision thereof in which the vendor is domiciled does not give preference to
19 vendors domiciled in that nation or subdivision in making governmental purchases.
20 Subsection (2) (b) does not apply if the department or other person having
21 contracting authority in respect to the purchase determines that:

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

23 **66.0145 Purchases of Wisconsin goods and services. (1) DEFINITIONS.** In
24 this section:

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

