



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-5995/1
MPG&SWB:emw

2021 SENATE BILL 1040

March 9, 2022 - Introduced by Senators LARSON, CARPENTER, JOHNSON and RINGHAND, cosponsored by Representatives SUBECK, MCGUIRE, CABRERA, EMERSON, HEBL, HESSELBEIN, OHNSTAD, SHANKLAND, SHELTON, SINICKI, SPREITZER and VRUWINK. Referred to Committee on Government Operations, Legal Review and Consumer Protection.

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 governments to purchase a certain percentage of
6 products 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.

The 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 local governmental unit'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 that the percentage of the total amount
3 expended in any fiscal year for local products or services will not be lower than the
4 percentage of the total amount expended in the previous fiscal year for local products
5 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 under s. 16.71 (1), and any agency making
13 purchases under s. 16.74 are meeting the goals 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:

