

# House Study Bill 677

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
ECONOMIC GROWTH BILL BY  
CHAIRPERSON HOFFMAN)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to purchasing preferences for Iowa-based products  
2 and services.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 6499HC 80  
5 tm/gg/14

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1 1 Section 1. Section 73.1, Code 2003, is amended by striking  
1 2 the section and inserting in lieu thereof the following:  
1 3 73.1 PREFERENCES.  
1 4 1. Every commission, board, committee, regents  
1 5 institution, and department or agency of the state shall make  
1 6 the purchase of Iowa-based products and services to fill their  
1 7 designated mission and needs a priority when entering into  
1 8 contracts to fill such needs. This purchasing priority shall  
1 9 include accommodations for quality, marketable quantities of  
1 10 products and services provided by the marketer of the product  
1 11 or service that will affect the long-term costs associated  
1 12 with the product or service, and the impact upon the purchaser  
1 13 and the purchaser's mission and needs. When products or  
1 14 services provided by an Iowa-based provider are found to be in  
1 15 sufficient quantities and of a quality suited to the needs of  
1 16 the affected entity, and can be secured without significantly  
1 17 raising the costs associated with the purchase, preference  
1 18 shall be given to the Iowa-based provider over that of a  
1 19 provider existing outside the state. This section does not  
1 20 apply to a school district purchasing food while the school  
1 21 district is participating in the federal school lunch program,  
1 22 nor shall it apply to purchasers of prescription drugs for any  
1 23 state program.

1 24 2. All requests made for bids and requests for proposals  
1 25 for materials, products, supplies, provisions, and other  
1 26 needed articles and services to be purchased at public expense  
1 27 shall be made in such a way to include an Iowa-based entity,  
1 28 should the sponsoring purchaser be aware that such an entity  
1 29 exists and is capable of filling the needs related to the bid  
1 30 or request. All available efforts shall be made to  
1 31 accommodate the acceptance of bids submitted from Iowa-based  
1 32 providers of products and services that can satisfy the needs  
1 33 of purchasers of the state.

1 34 3. Any commission, board, committee, regents institution,  
1 35 or department or agency of the state entering into a contract  
2 1 for the purchase of products or services that exceeds twenty=  
2 2 five thousand dollars shall compile data reflecting the  
2 3 percentage of purchases made from Iowa-based entities versus  
2 4 those purchases made from entities outside the state during  
2 5 the fiscal year. Any commission, board, committee, regents  
2 6 institution, or department or agency of the state required to  
2 7 compile data pursuant to this subsection shall submit the data  
2 8 in the form of a written report to the general assembly on or  
2 9 before October 31 following the fiscal year in which the data  
2 10 is compiled.

2 11 Sec. 2. Section 331.341, subsection 2, Code 2003, is  
2 12 amended to read as follows:

2 13 2. The board shall give preference to Iowa products and  
2 14 labor in accordance with chapter 73 and shall comply with bid  
2 15 and contract requirements in ~~section 73.2~~ chapter 73.

### EXPLANATION

2 17 This bill relates to purchasing preferences for Iowa-based  
2 18 products and services.

2 19 The bill provides that every commission, board, committee,  
2 20 regents institution, and department or agency of the state  
2 21 shall make the purchase of Iowa-based products and services to  
2 22 fill their designated mission and needs a priority when

2 23 entering into contracts to fill such needs. Currently, the  
2 24 preference provisions also apply to counties, township, school  
2 25 districts, and cities. The bill provides that when products  
2 26 or services provided by an Iowa-based provider are found to be  
2 27 in sufficient quantities and of a quality suited to the needs  
2 28 of the affected organization, and can be secured without  
2 29 significantly raising the costs associated with the purchase,  
2 30 preference shall be given to the Iowa-based provider over that  
2 31 of a provider existing outside the state. The bill provides  
2 32 for certain exceptions to the preference provisions.

2 33 The bill provides that all requests made for bids and  
2 34 requests for proposals for materials, products, supplies,  
2 35 provisions, and other needed articles and services to be  
3 1 purchased at public expense shall be made in such a way to  
3 2 include an Iowa-based entity, should the sponsoring purchaser  
3 3 be aware that such an entity exists and is capable of filling  
3 4 the needs related to the bid or request. The bill provides  
3 5 that all available efforts shall be made to accommodate the  
3 6 acceptance of bids submitted from Iowa-based providers of  
3 7 products and services that can satisfy the needs of purchasers  
3 8 of the state.

3 9 The bill creates a reporting requirement for any  
3 10 commission, board, committee, regents institution, or  
3 11 department or agency of the state entering into a contract for  
3 12 goods and services that exceeds \$25,000.

3 13 LSB 6499HC 80

3 14 tm/gg/14