

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

H

1

HOUSE BILL 2

Short Title: Reciprocal Preference For Bids.

(Public)

Sponsors: Representatives Owens; Tolson and Sherrill.

Referred to: Rules, Calendar, and Operations of the House.

January 25, 2001

A BILL TO BE ENTITLED

AN ACT TO ALLOW THE SECRETARY OF ADMINISTRATION AND STATE AGENCIES TO ADD A PERCENT INCREASE TO BIDS OF NONRESIDENT BIDDERS WHERE THE NONRESIDENT BIDDERS' HOME STATES GRANT PREFERENCES TO IN-STATE BIDDERS, TO AUTHORIZE THE SECRETARY OF ADMINISTRATION TO ADOPT TEMPORARY RULES TO IMPLEMENT THE RECIPROCAL PREFERENCE PROGRAM, AND TO APPROPRIATE FUNDS FOR THE RECIPROCAL PREFERENCE PROGRAM.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-59 reads as rewritten:

"§ 143-59. Preference given to North Carolina products and citizens, and articles manufactured by State agencies-agencies; reciprocal preference.

(a) Preference. - The Secretary of Administration and any State agency authorized to purchase foodstuff or other ~~products, products~~ shall, in the purchase of or in the contracting for foods, supplies, materials, equipment, ~~printing-printing~~, or ~~services services~~, give preference as far as may be practicable to ~~such~~ products or services manufactured or produced in North Carolina or furnished by or through citizens of ~~North Carolina: Provided, however, that~~ North Carolina, except that in giving such preference-preference, no sacrifice or loss in price or quality shall be ~~permitted; and provided further, that preference-permitted.~~ Preference in all cases shall be given to surplus products or articles produced and manufactured by other State departments, institutions, or agencies ~~which~~ that are available for distribution.

(b) Reciprocal preference. - On all contracts for equipment, materials, supplies, and services valued over twenty-five thousand dollars (\$25,000), a percent increase shall be added to bids from nonresident bidders that is equal to the percent of the preference given in the bidders' home states. On or before January 1 of each year, the Secretary of Administration shall electronically publish a list of states that give preference to in-state bidders and the amount of the percent increase added to out-of-

1 state bids. All State departments, institutions, agencies, community colleges, local
2 school administrative units, and the Office of Information Technology shall use this list
3 when evaluating bids. If the reciprocal preference causes the nonresident bidder to no
4 longer be the lowest bidder, the Secretary of Administration may, upon consultation
5 with the Board of Award, waive the reciprocal preference. In determining whether to
6 wave the reciprocal preference, the Secretary of Administration and the Board of
7 Award shall consider factors that include competition, price, product origination, and
8 available resources.

9 (c) Definitions. - The following definitions apply in this section:

10 (1) Resident bidder. - A bidder that has paid unemployment taxes or
11 income taxes in this State and has had a business address in this State
12 during the 12 calendar months immediately preceding submission of
13 the bid.

14 (2) Nonresident bidder. - A bidder that is not a resident bidder as defined
15 in subdivision (1) of this subsection.

16 (d) Exemptions. - Subsection (b) of this section shall not apply to contracts
17 entered into under G.S. 143-53(5) or G.S. 143-57."

18 **SECTION 2.** The Secretary of Administration may adopt temporary rules to
19 implement this act.

20 **SECTION 3.** There is appropriated from the General Fund to the
21 Department of Administration the sum of two hundred fifty thousand dollars (\$250,000)
22 for the 2001-2002 fiscal year for the implementation and operation of the reciprocal
23 preference program.

24 **SECTION 4.** Section 3 of this act becomes effective July 1, 2001. The
25 remainder of this act becomes effective January 1, 2002.