

Senate Bill 44

By: Senators Tolleson of the 20th, Mullis of the 53rd, Rogers of the 21st, Hooks of the 14th, Harp of the 29th and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 10 of Chapter 2 of Title 20 of the Official Code of Georgia Annotated,
2 relating to contracts and purchases by public schools, so as to provide contractual and
3 purchasing preferences for certain supplies, materials, equipment, and agricultural products
4 manufactured or produced in this state and for in-state sellers thereof; to amend Title 36 of
5 the Official Code of Georgia Annotated, relating to local government, so as to provide
6 contractual and purchasing preferences for certain supplies, materials, equipment, and
7 agricultural products manufactured or produced in this state and for in-state sellers thereof;
8 to amend Part 1 of Article 3 of Chapter 5 of Title 50 of the Official Code of Georgia
9 Annotated, relating to general authority, duties, and procedure relative to government
10 purchasing, so as to provide contractual and purchasing preferences for certain supplies,
11 materials, equipment, and agricultural products manufactured or produced in this state and
12 for in-state sellers thereof; to provide for applicability; to repeal conflicting laws; and for
13 other purposes.

14 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

15 style="text-align:center">**SECTION 1.**

16 Article 10 of Chapter 2 of Title 20 of the Official Code of Georgia Annotated, relating to
17 contracts and purchases by public schools, is amended by revising Code Section 20-2-500,
18 relating to promulgation of rules and regulations by the State Board of Education for
19 contracts or purchases over \$100.00, as follows:

20 "20-2-500.

21 (a) The State Board of Education is authorized to promulgate rules and regulations to
22 regulate contracts or purchases which involve the aggregate sum of \$100.00 or more for
23 or on behalf of students of any public elementary or secondary school supported in whole
24 or in part from public funds.

25 (b)(1) Such rules shall provide that such contracts for or purchases of supplies, materials,
26 equipment, or agricultural products, including but not limited to school buses but not

27 including instructional materials, for public elementary and secondary schools supported
 28 in whole or in part from public funds shall give preference as far as may be reasonable
 29 and practicable to such supplies, materials, equipment, and agricultural products as may
 30 be manufactured or produced in this state and to in-state sellers thereof. Such preference
 31 shall not sacrifice price or quality.

32 (2) Such rules shall provide that, in determining whether such a preference is reasonable
 33 in any case where the value of a contract for or purchase of such supplies, materials,
 34 equipment, or agricultural products exceeds \$10,000.00, the local school district shall
 35 consider, among other factors, an estimate of the multiplier effect on gross state domestic
 36 product and the effect on public revenues of the state as determined by the Department
 37 of Revenue or its designee and the effect on public revenues of political subdivisions
 38 resulting from acceptance of a bid or offer of an in-state seller of Georgia manufactured
 39 or produced goods as opposed to out-of-state sellers and goods. Any such estimates shall
 40 be in writing. No local school district shall divide a contract or purchase which exceeds
 41 \$10,000.00 for the purpose of avoiding the requirements of this paragraph."

42 **SECTION 2.**

43 Title 36 of the Official Code of Georgia Annotated, relating to local government, is amended
 44 by revising Chapter 84 in its entirety as follows:

45 "CHAPTER 84

46 ~~36-84-1.~~

47 ~~Reserved.~~

48 ~~36-84-2.~~

49 ~~Reserved.~~

50 36-84-1.

51 (a) As used in this Code section, the term 'local government' means a county, municipality,
 52 or consolidated government.

53 (b) Local governments, when contracting for or purchasing supplies, materials, equipment,
 54 or agricultural products, shall give preference as far as may be reasonable and practicable
 55 to such supplies, materials, equipment, and agricultural products as may be manufactured
 56 or produced in this state and to in-state sellers thereof. Such preference shall not sacrifice
 57 price or quality.

58 (c) In determining whether such a preference is reasonable in any case where the value of
 59 a contract for or purchase of such supplies, materials, equipment, or agricultural products
 60 exceeds \$10,000.00, the local government shall consider, among other factors, an estimate
 61 of the multiplier effect on gross state domestic product and the effect on public revenues
 62 of the state as determined by the Department of Revenue or its designee and the effect on
 63 public revenues of political subdivisions resulting from acceptance of a bid or offer of an
 64 in-state seller of Georgia manufactured or produced goods as opposed to out-of-state sellers
 65 and goods. Any such estimates shall be in writing. No local government shall divide a
 66 contract or purchase which exceeds \$10,000.00 for the purpose of avoiding the
 67 requirements of this subsection."

68

SECTION 3.

69 Part 1 of Article 3 of Chapter 5 of Title 50 the Official Code of Georgia Annotated, relating
 70 to general authority, duties, and procedure relative to government purchasing, is amended
 71 by revising Code Section 50-5-60, relating to preference to supplies, equipment, materials,
 72 and printing produced in Georgia generally, as follows:

73 "50-5-60.

74 ~~(a) It shall be the duty of the Department of Administrative Services, in the purchase of~~
 75 ~~and in contracting for any supplies, materials, equipment, and printing, to give preference~~
 76 ~~as far as may be reasonable and practicable to such materials, supplies, equipment, and~~
 77 ~~printing as may be manufactured or produced in this state. It is the intention of this~~
 78 ~~subsection that the state use, insofar as is practicable, Georgia products and Georgia labor;~~
 79 ~~provided, however, that in giving such preference no sacrifice or loss in price or quality~~
 80 ~~shall be permitted; and provided, further, that preference in all cases shall be given to~~
 81 ~~surplus products or articles produced or manufactured by other state departments,~~
 82 ~~institutions, or agencies, which are available for distribution.~~

83 ~~(b) Vendors resident in the State of Georgia are to be granted the same preference over~~
 84 ~~vendors resident in another state in the same manner, on the same basis, and to the same~~
 85 ~~extent that preference is granted in awarding bids for the same goods or services by such~~
 86 ~~other state to vendors resident therein over vendors resident in the State of Georgia.~~

87 (a) The state and any department, agency, or commission thereof, when contracting for or
 88 purchasing supplies, materials, equipment, or agricultural products, shall give preference
 89 as far as may be reasonable and practicable to such supplies, materials, equipment, and
 90 agricultural products as may be manufactured or produced in this state and to in-state
 91 sellers thereof. Such preference shall not sacrifice price or quality.

92 (b) In determining whether such a preference is reasonable in any case where the value of
 93 a contract for or purchase of such supplies, materials, equipment, or agricultural products

94 exceeds \$10,000.00, the state or its department, agency, or commission shall consider,
 95 among other factors, an estimate of the multiplier effect on gross state domestic product
 96 and the effect on public revenues of the state as determined by the Department of Revenue
 97 or its designee and the effect on public revenues of political subdivisions resulting from
 98 acceptance of a bid or offer of an in-state seller of Georgia manufactured or produced
 99 goods as opposed to out-of-state sellers and goods. Any such estimates shall be in writing.
 100 The state or its department, agency, or commission shall not divide a contract or purchase
 101 which exceeds \$10,000.00 for the purpose of avoiding the requirements of this subsection."

102 **SECTION 4.**

103 Said part is further amended by revising Code Section 50-5-61, relating to state and local
 104 authority preferences for supplies, materials, equipment, and agricultural products produced
 105 in Georgia, as follows:

106 "50-5-61.

107 (a) State and local authorities created by law, in the purchase of and contracting for any
 108 supplies, materials, equipment, and agricultural products, shall give preference as far as
 109 may be reasonable and practicable to such ~~materials~~, supplies, materials, equipment, and
 110 agricultural products as may be manufactured or produced in this state and to in-state
 111 sellers thereof. Such preference shall not sacrifice price or quality.

112 (b) In determining whether such a preference is reasonable in any case where the value of
 113 a contract for or purchase of such supplies, materials, equipment, or agricultural products
 114 exceeds \$10,000.00, the state or local authority shall consider, among other factors, an
 115 estimate of the multiplier effect on gross state domestic product and the effect on public
 116 revenues of the state as determined by the Department of Revenue or its designee and the
 117 effect on public revenues of political subdivisions resulting from acceptance of a bid or
 118 offer of an in-state seller of Georgia manufactured or produced goods as opposed to
 119 out-of-state sellers and goods. Any such estimates shall be in writing. No state or local
 120 authority shall divide a contract or purchase which exceeds \$10,000.00 for the purpose of
 121 avoiding the requirements of this subsection."

122 **SECTION 5.**

123 Said part is further amended by revising Code Section 50-5-62, relating to state preferences
 124 for local sellers of Georgia products, as follows:

125 "50-5-62.

126 ~~The Department of Administrative Services, in awarding of contracts, all things being~~
 127 ~~equal, shall give preference to local sellers of Georgia products when it is possible to do~~
 128 ~~so, the interest of the state is not sacrificed, and the quality and prices permit it. Reserved."~~

129 **SECTION 6.**

130 This Act shall not be applied to impair an obligation of any contract entered into prior to the
131 date this Act becomes effective.

132 **SECTION 7.**

133 All laws and parts of laws in conflict with this Act are repealed.