

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

AS PASSED SENATE

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

13 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

14 **SECTION 1.**

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

19 "20-2-500.

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

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

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

31 (2) Such rules shall provide that, in determining whether such a preference is reasonable
 32 in any case where the value of a contract for or purchase of such supplies, materials,
 33 equipment, or agricultural products exceeds \$100,000.00, the local school district shall
 34 consider, among other factors, information submitted by the bidder which may include
 35 the bidder's estimate of the multiplier effect on gross state domestic product and the effect
 36 on public revenues of the state and the effect on public revenues of political subdivisions
 37 resulting from acceptance of a bid or offer to sell Georgia manufactured or produced
 38 goods as opposed to out-of-state manufactured or produced goods. Any such estimates
 39 shall be in writing. No local school district shall divide a contract or purchase which
 40 exceeds \$100,000.00 for the purpose of avoiding the requirements of this paragraph.

41 (c) Nothing in this Code section shall negate the requirements of Code Section 50-5-73."

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, excluding beverages for immediate consumption, shall give
 55 preference as far as may be reasonable and practicable to such supplies, materials,
 56 equipment, and agricultural products as may be manufactured or produced in this state.
 57 Such preference shall not sacrifice 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 \$100,000.00, the local government shall consider, among other factors,
 61 information submitted by the bidder which may include the bidder's estimate of the
 62 multiplier effect on gross state domestic product and the effect on public revenues of the
 63 state and the effect on public revenues of political subdivisions resulting from acceptance
 64 of a bid or offer to sell Georgia manufactured or produced goods as opposed to out-of-state
 65 manufactured or produced goods. Any such estimates shall be in writing. No local
 66 government shall divide a contract or purchase which exceeds \$100,000.00 for the purpose
 67 of avoiding the requirements of this subsection.

68 (d) Nothing in this Code section shall negate the requirements of Code Section 50-5-73."

69 **SECTION 3.**

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

74 "50-5-60.

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

84 (a) The state and any department, agency, or commission thereof, when contracting for or
 85 purchasing supplies, materials, equipment, or agricultural products, excluding beverages
 86 for immediate consumption, shall give preference as far as may be reasonable and
 87 practicable to such supplies, materials, equipment, and agricultural products as may be
 88 manufactured or produced in this state. Such preference shall not sacrifice quality.

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

93 (c) In determining whether such a preference is reasonable in any case where the value of
94 a contract for or purchase of such supplies, materials, equipment, or agricultural products
95 exceeds \$100,000.00, the state or its department, agency, or commission shall consider,
96 among other factors, information submitted by the bidder which may include the bidder's
97 estimate of the multiplier effect on gross state domestic product and the effect on public
98 revenues of the state and the effect on public revenues of political subdivisions resulting
99 from acceptance of a bid or offer to sell Georgia manufactured or produced goods as
100 opposed to out-of-state manufactured or produced goods. Any such estimates shall be in
101 writing. The state or its department, agency, or commission shall not divide a contract or
102 purchase which exceeds \$100,000.00 for the purpose of avoiding the requirements of this
103 subsection.
104 (d) Nothing in this Code section shall negate the requirements of Code Section 50-5-73."

105 **SECTION 4.**

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

109 "50-5-61.

110 (a) State and local authorities created by law, in the purchase of and contracting for any
111 supplies, materials, equipment, and agricultural products, excluding beverages for
112 immediate consumption, shall give preference as far as may be reasonable and practicable
113 to such ~~materials~~, supplies, materials, equipment, and agricultural products as may be
114 manufactured or produced in this state. Such preference shall not sacrifice ~~price~~ or quality.

115 (b) In determining whether such a preference is reasonable in any case where the value of
116 a contract for or purchase of such supplies, materials, equipment, or agricultural products
117 exceeds \$100,000.00, the state or local authority shall consider, among other factors,
118 information submitted by the bidder which may include the bidder's estimate of the
119 multiplier effect on gross state domestic product and the effect on public revenues of the
120 state and the effect on public revenues of political subdivisions resulting from acceptance
121 of a bid or offer to sell Georgia manufactured or produced goods as opposed to out-of-state
122 manufactured or produced goods. Any such estimates shall be in writing. No state or local
123 authority shall divide a contract or purchase which exceeds \$100,000.00 for the purpose
124 of avoiding the requirements of this subsection.

125 (c) Nothing in this Code section shall negate the requirements of Code Section 50-5-73."

126 **SECTION 5.**

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

129 "50-5-62.

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

133 **SECTION 6.**

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

136 **SECTION 7.**

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