

**REVENUE:** No revenue impact

**FISCAL:** Fiscal statement issued

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed
<b>Vote:</b>	8 - 0 - 0
<b>Yeas:</b>	Beyer, Gilliam, Krieger, Roblan, Schaufler, VanOrman, Wingard, Clem
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Cheyenne Ross, Administrator
<b>Meeting Dates:</b>	3/19, 4/2

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**WHAT THE MEASURE DOES:** Allows state entities to give preference to in-state agricultural products when contracting for goods.

**ISSUES DISCUSSED:**

- Local governments want to give in-state preference if possible
- Commerce Clause
- Government as a market participant
- Public contracting
- Analogy to license plates
- Eliminate requirement for product to be provided statewide, to allow local governments to buy locally
- Eliminate requirement that lowest bid must be accepted, recognizing that the “value” of collateral or secondary effects of an in-state preference are not amenable to ordinary/direct economic measures
- Require transparent/public rationale for decisions to exceed “lowest bid”
- Question regarding goods that originate in state but are processed out-of-state and returned
- Preference already exists in statute but is ineffective
- Reciprocity clauses in other states

**EFFECT OF COMMITTEE AMENDMENT:** Removes rulemaking requirement for Director of Agriculture. Makes provisions applicable to the use of public funds only. Strengthens language requiring a written explanation for procurement decisions above a certain threshold.

**BACKGROUND:** Local governments and agencies desire to purchase local agricultural products. HB 2763 would enable them to do so.