

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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HOUSE BILL 3

Short Title: Encourage Reciprocity in Bidding Process. (Public)

Sponsors: Representative Owens.

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

January 25, 2001

A BILL TO BE ENTITLED

AN ACT TO PROVIDE A RECIPROCITY LAW WILL DISCOURAGE
PREFERENCE LAWS IN OTHER STATES.

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 preferences.**

(a) The Secretary of Administration and any State agency authorized to purchase foodstuff or other products, shall, in the purchase of or in the contracting for foods, supplies, materials, equipment, printing or 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 in giving such preference no sacrifice or loss in price or quality shall be permitted; and provided further, that preference in all cases shall be given to surplus products or articles produced and manufactured by other State departments, institutions, or agencies which are available for distribution.

(b) All State departments, institutions, agencies, community colleges, local school administrative units, and the Office of Information Technology Services shall apply a reciprocal preference to bids from bidders who are not resident bidders in North Carolina on contracts for equipment, materials, supplies, and services valued over twenty-five thousand dollars (\$25,000). To apply this reciprocal preference, the purchasing entity shall add a percentage increase to the bid of any bidder who is not a resident of North Carolina. The percentage of the increase shall be equal to the percentage increase, if any, that the state in which the bidder resides adds to bids from nonresident bidders.

Prior to January 1 of each year, the Secretary of Administration shall publish electronically a list of states that give a preference to in-state bidders and the percentage

1 increase given by each state. Purchasing entities shall use this list to apply the reciprocal
2 preference.

3 If the application of the reciprocal preference would affect the award of the
4 contract, the purchasing entity shall submit the bids on that purchase to the Secretary of
5 Administration. The Secretary, after consultation with the Board of Award, shall waive
6 the reciprocal preference requirement for a purchase if the Secretary determines that it is
7 in the public interest to do so. In making this determination, the Secretary shall consider
8 factors such as the availability of competition, the purchase price, the places the product
9 and its components are produced, and the availability of funds for the purchase.

10 As used in this section, a resident bidder in North Carolina is a bidder who (i)
11 has a business address within North Carolina and (ii) has paid unemployment taxes or
12 income taxes in North Carolina during the 12 calendar months immediately preceding
13 submission of the bid.

14 This subsection does not apply to contracts entered into under the provisions
15 of G.S. 143-53(a)(5) or G.S. 143-57.

16 The Secretary of Administration may adopt rules necessary to implement the
17 provisions of this subsection."

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

20 **SECTION 3.** This act becomes effective September 1, 2001.