

HB3574



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB3574

Introduced 2/18/2025, by Rep. Justin Slaughter

SYNOPSIS AS INTRODUCED:

30 ILCS 500/45-115 new

Amends the Illinois Procurement Code. Provides that any contract that provides for the storage of any State data shall include a requirement that the State data must be processed, stored, and disposed of within the territory of the United States. Provides that, for any contract that provides for the storage of State data, the Chief Procurement Officer shall allocate to any qualified bidder an earned credit of: (1) 2% of the contract base bid for ensuring that all State data that is included in the contract is stored within the State of Illinois; and (2) an additional 4% of the contract base bid for ensuring that all such State data is stored within an opportunity zone. Contains provisions concerning data centers.

LRB104 03868 HLH 13892 b

A BILL FOR

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Procurement Code is amended by
5 adding Section 45-115 as follows:

6 (30 ILCS 500/45-115 new)

7 Sec. 45-115. State data residency credit.

8 (a) As used in this Section:

9 "Earned credit" means the amount of the bid preference
10 allocated to a vendor upon completion of a contract during
11 which the vendor met a data residency commitment under this
12 Section during the performance of a State contract.

13 "Qualified area" means an opportunity zone designated by
14 the Department of Commerce and Economic Opportunity.

15 "State data" means the final version of information that:
16 (1) is presented in alphanumeric form in a list, table, graph,
17 chart, or other non-narrative form; (2) can be digitally
18 stored and retrieved; (3) is created or maintained by or on
19 behalf of a State agency; (4) is controlled by the State
20 agency; and (5) is related to the mission of the State agency.

21 "State data" does not include information that is: (1)
22 provided to a State agency by another entity; (2) created or
23 maintained by or on behalf of a State or federal public safety

1 official operating in that person's official capacity outside
2 of the United States; (3) subject to one or more international
3 exchange agreements for the exchange of criminal justice
4 information with one or more foreign government agencies; or
5 (4) created or maintained for the purpose of backup or
6 recovery.

7 (b) Unless otherwise authorized by the Chief Information
8 Officer of the applicable State agency, any contract
9 advertised and entered into by the State on or after the
10 effective date of this amendatory Act of the 104th General
11 Assembly that provides for the storage of any State data shall
12 include a requirement that the State data must be processed,
13 stored, and disposed of within the territory of the United
14 States.

15 (c) Unless otherwise prohibited by federal or State law,
16 for any contract advertised and entered into by the State on or
17 after the effective date of this amendatory Act of the 104th
18 General Assembly that provides for the storage of State data,
19 the Chief Procurement Officer shall allocate to any qualified
20 bidder an earned credit of: (1) 2% of the contract base bid for
21 ensuring that all State data that is included in the contract
22 is stored within the State of Illinois; and (B) an additional
23 4% of the contract base bid for ensuring that all such State
24 data is stored within a qualified area. Any earned credit
25 allocated pursuant to this Section must be used within 3 years
26 after issuance by the Chief Procurement Officer.

1 (d) The Chief Procurement Officer may determine not to
2 allocate an earned credit under this Section if the Chief
3 Procurement Officer determines that doing so is not in the
4 State's best interest. Any determination under this subsection
5 is a final administrative decision and is subject to review
6 under the Administrative Review Law.

7 (e) Except as otherwise provided in subsection (c), if, as
8 part of the contract closeout procedure, the Chief Procurement
9 Officer determines that the vendor has successfully met its
10 data residency commitment under this Section, the Chief
11 Procurement Officer shall issue an earned credit certificate
12 that evidences the amount of earned credit allocated to the
13 vendor. The vendor may apply the earned credit as the bid
14 preference for any future contract bid of equal or greater
15 dollar value relative to the contract for which the credit was
16 awarded. The credit certificate earned is valid for 3 years
17 from the date of issuance and shall not be applied to any
18 future contract bid after the expiration of that period. To
19 receive the earned credit certificate, the vendor shall
20 maintain accurate and detailed records necessary to monitor
21 compliance with this Section and shall submit any reports
22 required by the Chief Procurement Officer or the State
23 Purchasing Officer of the supervising agency. Full access to
24 vendors shall be granted to the Chief Procurement Officer, the
25 State Purchasing Officer of the supervising Department, or any
26 designee thereof. The vendor shall maintain all relevant

1 records for at least 3 years after the contract is completed.

2 (f) Any procurement issued for a data center to host State
3 data shall include a provision that, if the data center is
4 hosted within the State, then the proposal shall be awarded
5 additional points equal to 10% of the total available points.
6 If the data center is located in a qualified area, then, in
7 addition to the points awarded under this subsection (f) for
8 hosting within the State, the proposal shall be awarded an
9 additional 10% of the total available points.

10 (g) Each State agency may adopt rules for the proper
11 administration and enforcement of this Section, including, but
12 not limited to, rules concerning eligibility for data centers
13 to receive the additional points under subsection (f).