



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB3550

Introduced 2/17/2023, by Rep. Jay Hoffman

SYNOPSIS AS INTRODUCED:

30 ILCS 500/45-105

Amends the Illinois Procurement Code. Provides that, when procuring construction or construction-related projects with a total value over the small purchase maximum, the construction agency shall provide a bid preference to a responsive and responsible bidder that is an Illinois business (previously just responsible). Provides that the construction agency shall allocate to the lowest bid by an Illinois business that is responsible and responsive. Provides that this only applies to projects where a bid has been submitted by a business that is not an Illinois business. Defines "Illinois business".

LRB103 31010 DTM 57625 b

1 AN ACT concerning finance.

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 changing Section 45-105 as follows:

6 (30 ILCS 500/45-105)

7 Sec. 45-105. Bid preference for Illinois businesses.

8 (a) (Blank). ~~For the purposes of this Section:~~

9 ~~"Illinois business" means a contractor that: (i) is~~
10 ~~headquartered in Illinois and providing, at the time that an~~
11 ~~invitation for a bid or notice of contract opportunity is~~
12 ~~first advertised, construction or construction related~~
13 ~~professional services for Illinois based projects; (ii)~~
14 ~~conducts meaningful day to day business operations at a~~
15 ~~facility in Illinois that is the place of employment for the~~
16 ~~majority of its regular, full time workforce; (iii) holds all~~
17 ~~appropriate State licenses; and (iv) is subject to applicable~~
18 ~~State taxes. "Illinois business" does not include any~~
19 ~~subcontractors.~~

20 ~~"Illinois based project" means an individual project of~~
21 ~~construction and other construction related services for a~~
22 ~~construction agency that will result in the conduct of~~
23 ~~business within the State or the employment of individuals~~

1 ~~within the State.~~

2 (b) It is hereby declared to be the public policy of the
3 State of Illinois to promote the economy of Illinois through
4 the use of Illinois businesses for all State construction
5 contracts.

6 (c) Construction agencies procuring construction and
7 construction-related professional services shall make
8 reasonable efforts to contract with Illinois businesses.

9 (d) Beginning in 2022, each construction agency shall
10 submit a report to the Governor and the General Assembly by
11 September 1 of each year that identifies the Illinois
12 businesses procured by the construction agency, the primary
13 location of the construction project, the percentage of the
14 construction agency's utilization of Illinois businesses on
15 the project as a whole, and the actions that the construction
16 agency has undertaken to increase the use of Illinois
17 businesses.

18 (e) In procuring construction and construction-related
19 professional services for projects with a total value that
20 exceeds the small purchase maximum established by Section
21 20-20 of this Code ~~with a total construction cost of more than~~
22 ~~\$100,000~~, construction agencies shall provide a bid preference
23 to a responsive and responsible bidder that is an Illinois
24 business as defined in this Section. The construction agency
25 shall allocate to the lowest bid by an Illinois business that
26 is responsible and responsive ~~any responsible bidder that is~~

1 ~~an Illinois business~~ a bid preference of 4% of the contract
2 base bid. This subsection applies only to projects where a
3 business that is not an Illinois business submits a bid.

4 (f) This Section does not apply to any contract for any
5 project for which federal funds are available for expenditure
6 when its provisions may be in conflict with federal law or
7 federal regulation.

8 (g) As used in this Section, "Illinois business" means a
9 contractor that is operating and headquartered in Illinois and
10 providing, at the time that an invitation for a bid or notice
11 of contract opportunity is first advertised, construction or
12 construction-related professional services, and is operating
13 as:

14 (1) a sole proprietor whose primary residence is in
15 Illinois;

16 (2) a business incorporated or organized as a domestic
17 corporation under the Business Corporation Act of 1983;

18 (3) a business organized as a domestic partnership
19 under the Uniform Partnership Act of 1997;

20 (4) a business organized as a domestic limited
21 partnership under the Uniform Limited Partnership Act of
22 2001;

23 (5) a business organized under the Limited Liability
24 Company Act; or

25 (6) a business organized under the Professional
26 Limited Liability Company Act.

1 "Illinois business" does not include any subcontractors.

2 (Source: P.A. 102-721, eff. 1-1-23.)