

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6876
BILL NUMBER: HB 1234

NOTE PREPARED: Dec 23, 2020
BILL AMENDED:

SUBJECT: Fair and Open Competition for Public Works Projects.

FIRST AUTHOR: Rep. Torr
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill provides that a public agency may not do any of the following:

- (1) Impose by rule, ordinance, or other action, or in the bid specifications or contract documents for a public works project, a requirement inconsistent with, in addition to, or more stringent or restrictive than certain statutory prequalification or any other requirement of an applicable public works statute.
- (2) Award a public works contract to a contractor under a contract award standard other than the contract award standard of the applicable public works statute.
- (3) Require a potential bidder on a public works project to provide any information other than the applicable financial information required by the prequalification statutes or as prescribed by the State Board of Accounts under the applicable public works statute.
- (4) By rule, ordinance, or any other action relating to contracts for public works projects, create or impose any prequalification processes that are additional to or inconsistent with those established by the prequalification statute or impose any requirements that directly or indirectly restrict potential bidders or proposers to any predetermined class of bidders defined by labor affiliation or membership or minimum training requirements inconsistent with, or more restrictive than, those required by certain public works statutes.
- (5) Take certain actions based on a bidder's, offeror's, or contractor's entering into, refusing to enter into, adhering to, or refusing to adhere to an agreement with a labor organization.

Effective Date: Upon passage.

Explanation of State Expenditures: *Labor Agreements:* By not allowing the decision to award a contract to be based on the contractor having or not having an agreement with a labor organization, more contractors may be able to bid on projects. The bids may be more competitive, but projects may have other costs throughout the construction process. The fiscal impact of this bill on the cost of public works projects is indeterminate.

The bill applies to all state agencies, state educational institutions, and bodies corporate and politic created by statute. The bill does not apply to judicial or legislative departments or the Indiana Department of Transportation.

Explanation of State Revenues:

Explanation of Local Expenditures: *Labor Agreements:* See *Explanation of State Expenditures*.

The bill applies to counties, municipalities, townships, school corporations, certain conservancy districts, fire protection districts, departments of aviation, and airport authorities.

Explanation of Local Revenues:

State Agencies Affected: Agencies involved in public works projects.

Local Agencies Affected: Local units involved in public works projects.

Information Sources:

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