



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

HB4574

by Rep. Jay Hoffman

#### SYNOPSIS AS INTRODUCED:

30 ILCS 517/5  
30 ILCS 517/10

Amends the Procurement of Domestic Products Act. Provides that the term "manufactured in the United States" means: (1) in the case of products that are not assembled articles, materials, or supplies, that the product is mined or produced in the United States; (2) in the case of assembled articles, materials, or supplies, that design, final assembly, processing, packaging, testing, or other process that adds value, quality, or reliability occurs in the United States and the cost of domestic components exceeds 50% of the cost of all of the components; or (3) that the product is a commercially available off-the-shelf item (currently, "that design, final assembly, processing, packaging, testing, or other process that adds value, quality, or reliability occurs in the United States"). Provides for an exception to the Act if the price of the procured products manufactured in the United States exceeds the price of available and comparable procured products manufactured outside the United States by 12% or more (currently, if the price of the procured products manufactured in the United States exceeds the price of available and comparable procured products manufactured outside the United States by an unreasonable amount). Effective immediately.

LRB100 18142 RJF 33337 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

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 Procurement of Domestic Products Act is  
5 amended by changing Sections 5 and 10 as follows:

6 (30 ILCS 517/5)

7 Sec. 5. Definitions. As used in this Act:

8 "Component" and "cost of components" have the meanings  
9 given to those terms in the federal Buy American Act of 1933.

10 "Manufactured in the United States" means: (1) in the case  
11 of products that are not assembled articles, materials, or  
12 supplies, that the product is mined or produced in the United  
13 States; (2) in the case of assembled articles, materials, or  
14 supplies, that design, final assembly, processing, packaging,  
15 testing, or other process that adds value, quality, or  
16 reliability occurs in the United States and the cost of  
17 domestic components exceeds 50% of the cost of all of the  
18 components; or (3) that the product is a commercially available  
19 off-the-shelf item.

20 "Procured products" means assembled articles, materials,  
21 or supplies purchased by a State agency.

22 "Purchasing agency" means a State agency.

23 "State agency" means each agency, department, authority,

1 board, or commission of the executive branch of State  
2 government, including each university, whether created by  
3 statute or by executive order of the Governor.

4 "United States" means the United States and any place  
5 subject to the jurisdiction of the United States.

6 (Source: P.A. 98-463, eff. 8-16-13.)

7 (30 ILCS 517/10)

8 Sec. 10. United States products. Each purchasing agency  
9 making purchases of procured products shall promote the  
10 purchase of and give preference to manufactured articles,  
11 materials, and supplies that have been manufactured in the  
12 United States. Procured products manufactured in the United  
13 States shall be specified and purchased unless the purchasing  
14 agency determines that any of the following applies:

15 (1) The procured products are not manufactured in the  
16 United States in reasonably available quantities.

17 (2) The price of the procured products manufactured in  
18 the United States exceeds ~~by an unreasonable amount~~ the  
19 price of available and comparable procured products  
20 manufactured outside the United States by 12% or more. To  
21 be eligible for an exemption under this paragraph (2), the  
22 purchasing agency must first obtain a written waiver from  
23 the chief procurement officer.

24 (3) The quality of the procured products manufactured  
25 in the United States is substantially less than the quality

1 of the comparably priced, available, and comparable  
2 procured products manufactured outside the United States.

3 (4) The purchase of the procured products manufactured  
4 outside the United States better serves the public interest  
5 by helping to protect or save life, property, or the  
6 environment.

7 (5) The purchase of the procured products is made in  
8 conjunction with contracts or offerings of  
9 telecommunications, fire suppression, security systems,  
10 communications services, Internet services, or information  
11 services.

12 (6) The purchase is of pharmaceutical products, drugs,  
13 biologics, vaccines, medical devices used to provide  
14 medical and health care or treat disease or used in medical  
15 or research diagnostic tests, and medical nutritionals  
16 regulated by the Food and Drug Administration under the  
17 federal Food, Drug and Cosmetic Act.

18 In determining the price of procured products for purposes  
19 of this Section, consideration shall be given to the life-cycle  
20 cost, including maintenance and repair of those procured  
21 products.

22 (Source: P.A. 93-954, eff. 1-1-05; 94-540, eff. 1-1-06.)

23 Section 99. Effective date. This Act takes effect upon  
24 becoming law.