



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB5511

Introduced 2/9/2024, by Rep. Jay Hoffman

#### SYNOPSIS AS INTRODUCED:

30 ILCS 500/45-105

Amends the Illinois Procurement Code. In a provision concerning bid preferences for Illinois businesses, makes changes to the definition of "Illinois business". Provides that the chief procurement officer shall require at the time of submission of a bid, and may require at the Chief Procurement Officer's option at any time during the term of the contract, that the bidder or contractor submit an affidavit and other supporting documents demonstrating that the bidder or contractor is an Illinois business and, if applicable, submit an affidavit and other supporting documents demonstrating that the bidder or contractor is eligible for a 4% bid preference under the provisions. Provides that if a contractor who is awarded a contract through the use of a preference for Illinois businesses provided false information in order to obtain that preference, then the contractor is subject to disciplinary procedures under the Act.

LRB103 38791 MXP 68928 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).

9 (b) It is hereby declared to be the public policy of the  
10 State of Illinois to promote the economy of Illinois through  
11 the use of Illinois businesses for all State construction  
12 contracts.

13 (c) Construction agencies procuring construction and  
14 construction-related professional services shall make  
15 reasonable efforts to contract with Illinois businesses.

16 (d) Beginning in 2022, each construction agency shall  
17 submit a report to the Governor and the General Assembly by  
18 September 1 of each year that identifies the Illinois  
19 businesses procured by the construction agency, the primary  
20 location of the construction project, the percentage of the  
21 construction agency's utilization of Illinois businesses on  
22 the project as a whole, and the actions that the construction  
23 agency has undertaken to increase the use of Illinois

1 businesses.

2 (e) In procuring construction and construction-related  
3 professional services for projects with a total value that  
4 exceeds the small purchase maximum established by Section  
5 20-20 of this Code, construction agencies shall provide a bid  
6 preference to a responsive and responsible bidder that is an  
7 Illinois business as defined in this Section. The construction  
8 agency shall allocate to the lowest bid by an Illinois  
9 business that is responsible and responsive a bid preference  
10 of 4% of the contract base bid. This subsection applies only to  
11 projects where a business that is not an Illinois business  
12 submits a bid.

13 (e-5) The chief procurement officer shall require at the  
14 time of submission of a bid, and may require at the chief  
15 procurement officer's option at any time during the term of  
16 the contract, that the bidder or contractor submit an  
17 affidavit and other supporting documents demonstrating that  
18 the bidder or contractor is an Illinois business and, if  
19 applicable, submit an affidavit and other supporting documents  
20 demonstrating that the bidder or contractor is eligible for a  
21 4% bid preference under this Section.

22 (e-10) If a contractor who is awarded a contract through  
23 the use of a preference for Illinois businesses provided false  
24 information in order to obtain that preference, then the  
25 contractor is subject to disciplinary procedures as identified  
26 in Section 50-65 of this Act.

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

5 (g) As used in this Section, "Illinois business" means a  
6 contractor that is, for at least one year prior, operating and  
7 headquartered in Illinois, subject to applicable State taxes,  
8 and providing, at the time that an invitation for a bid or  
9 notice of contract opportunity is first advertised,  
10 construction or construction-related professional services.  
11 "Illinois business" includes a foreign corporation duly  
12 authorized to transact business in this State that has a bona  
13 fide establishment for transacting business within this State  
14 where it is operating, headquartered, and performing  
15 construction or construction-related professional services at  
16 least one year before an invitation for a bid or notice of  
17 contract opportunity is first advertised. ~~7 and is operating~~  
18 ~~as:~~

19 ~~(1) a sole proprietor whose primary residence is in~~  
20 ~~Illinois;~~

21 ~~(2) a business incorporated or organized as a domestic~~  
22 ~~corporation under the Business Corporation Act of 1983;~~

23 ~~(3) a business organized as a domestic partnership~~  
24 ~~under the Uniform Partnership Act of 1997;~~

25 ~~(4) a business organized as a domestic limited~~  
26 ~~partnership under the Uniform Limited Partnership Act of~~

1       ~~2001;~~

2           ~~(5) a business organized under the Limited Liability~~  
3       ~~Company Act; or~~

4           ~~(6) a business organized under the Professional~~  
5       ~~Limited Liability Company Act.~~

6       "Illinois business" does not include any subcontractors or  
7       businesses headquartered outside of the State that have an  
8       affiliated entity operating in the State.

9       (Source: P.A. 102-721, eff. 1-1-23; 103-570, eff. 1-1-24.)