

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. **Bill Number:** HB1361H1

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. **Patron:** Feggans

3. **Committee:** General Laws

4. **Title:** Virginia Public Procurement Act; Virginia resident preference.

5. **Summary:** Provides preference as it relates to procurement for a bidder who is a resident of Virginia and then a bidder whose goods are produced in the United States. The bill gives the next lowest responsive and responsible bidder who is a resident of Virginia the option to match the price of the lowest responsive and responsible bidder who is a resident of another state. The substitute bill exempts procurements that include federal funds which would impact eligibility of receiving such funds if these preferences are applied. Additionally, the provisions of the act shall not become effective unless reenacted by the 2025 General Assembly.

6. **Budget Amendment Necessary:** No

7. **Fiscal Impact Estimates:** Preliminary—indeterminate, see item 8

8. **Fiscal Implications:**

The bill expands the existing tie bid preference for Virginia-produced goods. If the first preference cannot be applied, then the preference goes to goods produced in the United States. The second lowest responsive and responsible bidder from Virginia may match the price of a bidder who is not a Virginia resident.

The fiscal impact of this bill is indeterminate. Restrictions on available suppliers, generally, may impact the pool of bidders and may impact the price of goods procured.

9. **Specific Agency or Political Subdivisions Affected:** This bill applies to all public bodies subject to the Virginia Public Procurement Act (VPPA). This bill does not apply to higher education institutions operating under Management Agreements and Memoranda of Understanding in the operational area of procurement (currently fourteen Level III and Level II institutions). Additionally, the bill will not apply to local governments that have exempted themselves from the VPPA as authorized by V. Code §2.2-4343 (9, 10, 11).

10. **Technical Amendment Necessary:** No

11. **Other Comments:** None