

**Department of Planning and Budget**  
**2005 Fiscal Impact Statement**

**1. Bill Number** HB2397

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron** Phillips

**3. Committee** General Laws

**4. Title** Public Procurement Act; prohibited contracts; required contract provisions.

**5. Summary/Purpose:** Provides that no public body shall enter into any contract for services unless the contract provides that only citizens of the United States, legal resident aliens, and individuals with a valid visa will perform the services under the contract or any subcontract of that contract. The bill further requires all public bodies to include in every contract for goods or services the following provisions: During the performance of this contract, the contractor agrees to (i) post in conspicuous places, available to employees and applicants for employment, a statement notifying such persons that only citizens of the United States, legal resident aliens, and individuals with a valid visa will be hired to perform the services under the contract or any subcontract of such contract; (ii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor will hire only citizens of the United States, legal resident aliens, and individuals with a valid visa to perform the services under the contract or any subcontract of such contract; and (iii) include the provisions of the foregoing clauses in every subcontract or purchase order, so that the provisions will be binding upon each subcontractor or vendor.

**6. Fiscal Impact Estimates are:** Indeterminate, (see Item 8.)

**7. Budget amendment necessary:** No.

**8. Fiscal implications:** The proposed legislation could increase costs if it limits competition on procurements for all public bodies. Any contractor that enters into a contract with a foreign company to provide goods or services that would then be incorporated in the goods or services provided to the Commonwealth would be unable to participate in the procurement if the legislation is passed. This would also prohibit doing business with any foreign companies. The wording of this bill requires that all goods and services be bought and produced by US companies.

**9. Specific agency or political subdivisions affected:** All public bodies.

**10. Technical amendment necessary:** No.

**11. Other comments:** None.

**Date:** 01/17/05 / rtb

**Document:** (DPB F:RTB/FIS/HB2397.DOC)

cc: Secretary of Finance

Secretary of Administration