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FISCAL IMPACT REPORT

ORIGINAL DATE 02/12/13
 LAST UPDATED 03/05/13 HB _____

SPONSOR Neville

SHORT TITLE American-Made Vehicles In Procurement Code SB 396/aSJC

ANALYST Trowbridge

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI	NFI	NFI	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General’s Office (AGO)
 General Services Department (GSD)
 Department of Public Safety (DPS)

SUMMARY

Synopsis of SJC amendment

The Senate Judiciary Committee (SJC) amendment to Senate Bill 396 strikes all of the underscored language on Page 1, lines 21 through 24 of the original bill and inserts in lieu thereof: “; provided that this section shall not apply to motor vehicles used for law enforcement purposes”.

The SJC amendment clarifies that the bill does not apply to acquisition of law enforcement vehicles.

Synopsis of Original Bill

Senate Bill 396 (SB 396) makes a new exception to the American made motor vehicle requirement in the procurement code. The current requirement in the Procurement Code is that state agencies shall only acquire motor vehicles assembled in North America. Gas-electric hybrid vehicles may be purchased until those vehicles are assembled in North America. This proposed legislation excludes from the foregoing motor vehicles used by law enforcement agencies if those motor vehicles are manufactured by a company or consolidated entity whose headquarters is located in the United States.

FISCAL IMPLICATIONS

The agencies report no fiscal impact.

SIGNIFICANT ISSUES

The GSD indicates the title is correct in stating the purpose as “Making An Exception To The American Made Motor Vehicle Requirement in the Procurement Code.” While the title correctly identifies the Section of the Procurement Code involved, the current exception in that Section of the Code is for vehicles assembled in North America, not America, nor the United States. The exception to the foregoing is for motor vehicles used by law enforcement agencies if those motor vehicles are manufactured by a company or consolidated entity whose headquarters is located in the United States. The GSD’s analysis produced the following questions:

- Does this mean that motor vehicles are now a separate class of vehicles from gas-electric hybrid vehicles?
- What is the definition of “law enforcement agencies?”
- What is the definition of a “consolidated entity?”
- What is the definition of a “headquarters?”
- What companies or “consolidated entities” are headquartered in the United States? What companies are left out of that definition?

ADMINISTRATIVE IMPLICATIONS

The GSD states that absent clarification of the definitions and inconsistencies above noted, it will be difficult to apply the provisions of the bill to procurements.

TT/svb:blm