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Fiscal Note & Local Impact Statement

Bill:	H.B. 476 of the 131st G.A.	Date:	April 25, 2016
Status:	As Introduced	Sponsor:	Rep. Schuring

Local Impact Statement Procedure Required: No

Contents: Prohibits state agencies from entering contracts with companies that are boycotting or divesting from Israel

State Fiscal Highlights

• Although the state could pay more if the low bidder on a contract for the procurement of goods and services is eliminated from consideration as a result of the bill's prohibition, we do not know how often, if ever, this would be the case. Consequently, the bill will have an indeterminate fiscal effect on state procurement costs.

Local Fiscal Highlights

• No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill prohibits state agencies from entering into or renewing contracts for the procurement of goods and services from a company unless the contract includes a term that declares that the company is not boycotting or divesting from Israel as a protest against the policies of the government of Israel. The bill also requires contracts to include a term that prohibits the company from boycotting or divesting from Israel in protest for the duration of the contract. While it is possible that the state could pay more if the low bidder on a contract for the procurement of goods and services is eliminated from consideration under the bill, we do not know how often, if ever, this would be the case. Thus, the bill has an indeterminate fiscal effect.

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