

REFERENCE TITLE: procurement; veterans; Arizona bidders; preference

State of Arizona  
House of Representatives  
Fifty-fourth Legislature  
Second Regular Session  
2020

# HB 2264

Introduced by  
Representative Espinoza

AN ACT

AMENDING TITLE 41, CHAPTER 23, ARTICLE 1, ARIZONA REVISED STATUTES, BY  
ADDING SECTION 41-2505; RELATING TO THE PROCUREMENT CODE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 41, chapter 23, article 1, Arizona Revised  
3 Statutes, is amended by adding section 41-2505, to read:

4 41-2505. Preference for veteran-owned business bidders and  
5 Arizona bidders for identical bids; reciprocal  
6 preference; definitions

7 A. FOR CONTRACTS AWARDED PURSUANT TO SECTION 41-2533, SUBSECTION G,  
8 A PURCHASING AGENCY SHALL GIVE PREFERENCE TO A VETERAN-OWNED BUSINESS  
9 BIDDER OR AN ARIZONA BIDDER, IN THAT ORDER, OVER A NONRESIDENT BIDDER IF  
10 THERE ARE TWO OR MORE LOW, RESPONSIVE OFFERS FROM RESPONSIBLE BIDDERS THAT  
11 ARE IDENTICAL IN PRICE.

12 B. A PURCHASING AGENCY SHALL ADD A PERCENTAGE INCREASE TO THE BID  
13 OF A NONRESIDENT BIDDER THAT IS EQUAL TO THE PERCENTAGE, IF ANY, OF THE  
14 PREFERENCE GIVEN TO THE BIDDER IN THE STATE IN WHICH THE BIDDER RESIDES.  
15 ON OR BEFORE JANUARY 1 OF EACH YEAR, THE DEPARTMENT SHALL PUBLISH A LIST  
16 OF STATES THAT GIVE PREFERENCE TO IN-STATE BIDDERS AND SHALL INCLUDE THE  
17 PERCENTAGE INCREASE APPLIED IN EACH STATE. A PURCHASING AGENCY MAY RELY  
18 ON THE PUBLISHED LIST IN DETERMINING THE LOWEST RESPONSIBLE BIDDER WITHOUT  
19 INCURRING ANY LIABILITY TO ANY BIDDER.

20 C. FOR THE PURPOSES OF THIS SECTION:

21 1. "ARIZONA BIDDER" MEANS A BIDDER THAT SATISFIES ALL OF THE  
22 FOLLOWING:

23 (a) IS AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE.

24 (b) MAINTAINS ITS HEADQUARTERS IN THIS STATE FOR AT LEAST TWELVE  
25 CONSECUTIVE MONTHS BEFORE SUBMITTING A BID, EXCEPT THAT THIS REQUIREMENT  
26 DOES NOT APPLY IF THE BIDDER EMPLOYS FIVE HUNDRED OR MORE FULL-TIME  
27 RESIDENTS OF THIS STATE WHO ARE PROVIDED HEALTH CARE BENEFITS THROUGH  
28 THEIR EMPLOYER.

29 (c) PAYS ALL ASSESSED TAXES.

30 2. "HEADQUARTERS" MEANS A PRINCIPAL CENTRAL ADMINISTRATIVE OFFICE  
31 WHERE PRIMARY HEADQUARTERS-RELATED FUNCTIONS AND SERVICES ARE PERFORMED,  
32 INCLUDING FINANCIAL, PERSONNEL, ADMINISTRATIVE, LEGAL, PLANNING AND  
33 SIMILAR BUSINESS FUNCTIONS.

34 3. "VETERAN" MEANS A PERSON WHO IS A VETERAN OF THE ARMED FORCES OF  
35 THE UNITED STATES AND WHO IS SEPARATED FROM THE ARMED FORCES OF THE UNITED  
36 STATES UNDER HONORABLE CONDITIONS.

37 4. "VETERAN-OWNED BUSINESS" MEANS A BUSINESS TO WHICH ALL OF THE  
38 FOLLOWING APPLY:

39 (a) THE BUSINESS IS AN INDIVIDUAL PROPRIETORSHIP, PARTNERSHIP,  
40 CORPORATION OR JOINT VENTURE THAT IS AT LEAST FIFTY-ONE PERCENT OWNED BY  
41 ONE OR MORE VETERANS OR, FOR A BUSINESS WHOSE STOCK IS PUBLICLY HELD, AT  
42 LEAST FIFTY-ONE PERCENT OF THE STOCK IS OWNED BY ONE OR MORE VETERANS.

1           (b) THE MANAGEMENT AND DAILY OPERATIONS OF THE BUSINESS ARE  
2 CONTROLLED BY ONE OR MORE VETERANS WHO OWN THE BUSINESS.

3           (c) THE HOME OFFICE OF THE BUSINESS IS LOCATED IN THIS STATE AND IS  
4 NOT A BRANCH OR SUBSIDIARY OF A FOREIGN CORPORATION OR FIRM OR OTHER  
5 FOREIGN BUSINESS.