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S.P. 297

In Senate, March 7, 2017

An Act To Help Maine Manufacturing

Reference to the Committee on State and Local Government suggested and ordered printed.

HEATHER J.R. PRIEST Secretary of the Senate

Presented by Senator SAVIELLO of Franklin.

Cosponsored by Senator: KEIM of Oxford, Representative: BLACK of Wilton.

1	Be it enacted by the People of the State of Maine as follows:
2	Sec. 1. 5 MRSA c. 153, sub-c. 3 is enacted to read:
3	SUBCHAPTER 3
4	MAINE BUY AMERICA ACT
5	§1777. Short title
6	This Act may be known and cited as "the Maine Buy America Act."
7	§1778. Definitions
8 9	As used in this subchapter, unless the context otherwise indicates, the following terms have the following meanings.
10 11	1. Department . "Department" means the Department of Administrative and Financial Services.
12 13 14 15 16 17 18 19 20	2. Emergency life safety and property safety goods. "Emergency life safety and property safety goods" means any goods that are part of or for addition to a system designed to prevent, respond to, alert regarding, suppress, control or extinguish an emergency or the cause of an emergency, or goods used to assist evacuation in the event of an emergency, that threatens life or property. "Emergency life safety and property safety goods" includes, but is not limited to, goods relating to systems or items for fire alarm, fire sprinkling, fire suppression, fire extinguishing, security, gas detection intrusion detection, access control, video surveillance and recording, mass notification public address, emergency lighting, patient wandering, infant tagging and nurse call.
21	3. Manufactured good. "Manufactured good" means:
22 23	A. An article, material or supply, including any preassembled items, brought to a construction site for incorporation into a public building or public work; and
24	B. Articles, materials or supplies acquired for public use.
25	4. Manufactured in the United States. "Manufactured in the United States" means:
26 27	A. In the case of an iron or steel product, all manufacturing takes place in the United States, except metallurgical processes involving the refinement of steel additives; and
28	B. In the case of a manufactured good other than an iron or steel product:
29 30	(1) All of the manufacturing processes for the manufactured good take place in the United States; and
31 32 33	(2) The origin of the manufactured good's components or subcomponents meets a minimum level of domestic content, as defined in rules established by the department pursuant to section 1780.

- 5. Public agency. "Public agency" means the State and its departments, agencies, boards, commissions and institutions but does not mean a county, municipality or school administrative unit.
 - 6. Public building or public work. "Public building or public work" means any structure, building, highway, waterway, street, bridge, transit system, airport or other betterment, work or improvement whether of a permanent or temporary nature and whether for governmental or proprietary use. "Public building or public work" includes, but is not limited to, any railway; street railway; subway; elevated and monorail passenger rolling stock; passenger and rail rolling stock; self-propelled car; gallery car; locomotive; passenger bus; wires, poles and equipment for electrification of a transit system; rails; tracks; roadbed; guideway; elevated structure; school; hospital; station; terminal; dock; and shelter; and repairs to any such public building or public work.
- 7. United States. "United States" means the United States of America and any territory or insular possession subject to the jurisdiction of the United States.

§1779. Use of American-made materials

- 1. Mandatory contract provision. Notwithstanding any other provision of law to the contrary, a contract for the construction, reconstruction, alteration, repair, improvement or maintenance of a public building or public work made by a public agency must contain a provision that the manufactured goods, including iron and steel, used or supplied in the performance of the contract or any subcontract to the contract must be manufactured in the United States.
- 2. Exceptions. A public agency may apply to the Governor or the Governor's designee for a waiver of the requirements of subsection 1 in any case or category of cases in which the executive head of a public agency finds:
 - A. That the application of the requirements of subsection 1 would be inconsistent with the public interest;
 - B. That the necessary manufactured goods are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality;
 - C. That inclusion of manufactured goods manufactured in the United States will increase the cost of the overall project contract by more than 25%; or
 - D. The cost of the total contract for the construction, reconstruction, alteration, repair, improvement or maintenance of a public building or public work is below a minimum project cost as established by rules of the department pursuant to section 1780.
 - 3. Public review and comment. The department shall implement procedures to allow a reasonable amount of time for public review and comment on a requested waiver under subsection 2 before making a finding based on the request and shall publish on the department's publicly accessible website, or in a newspaper of general circulation in the area of the proposed work, a detailed justification for any waiver granted.

- 4. Intentional violations. The department shall, after a hearing, debar a person, business or other entity from participation in contracts or subcontracts with the State for 2 years if the department has reason to believe that person, business or other entity has intentionally:
 - A. Affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any manufactured good, including iron and steel, used in a project to which this section applies when that manufactured good was not manufactured in the United States;
 - B. Represented that any manufactured good, including iron and steel, used in a project to which this section applies was manufactured in the United States when that manufactured good was not manufactured in the United States; or
 - C. Violated any provision of this subchapter.
 - 5. International trade obligations. This section must be applied in a manner consistent with the State's obligations under any applicable international agreements pertaining to government procurement, including, but not limited to, the federal Trade Agreements Act of 1979, 19 United States Code, Chapter 13.
 - <u>6. Exception for emergency life safety and property safety goods.</u> The provisions of this subchapter do not apply to emergency life safety and property safety goods.

§1780. Rules

- The department shall adopt routine technical rules as described in chapter 375, subchapter 2-A to implement this subchapter.
- **Sec. 2. Effective date.** This Act takes effect January 1, 2019.

23 SUMMARY

This bill establishes the Maine Buy America Act and requires that all contracts for the construction, reconstruction, alteration, repair, improvement or maintenance of a public building or public work made by a state agency, board, commission or institution contain a provision that the manufactured goods, including iron and steel, used or supplied in the performance of the contract or any subcontract to the contract must be manufactured in the United States. This requirement does not apply to counties, municipalities or school administrative units.

The bill requires that, in the case of a manufactured good other than an iron or steel product, all of the manufacturing processes take place in the United States and the origin of the manufactured good's components or subcomponents meet a minimum level of domestic content as established by rule.

Under the Act, a public agency may apply to the Governor or the Governor's designee for a waiver of the requirement if the executive head of the public agency finds that the application of the requirement would be inconsistent with the public interest, that the necessary manufactured goods are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality or that inclusion of manufactured goods made in the United States will increase the cost of the overall project contract by more than 25%. The Department of Administrative and Financial Services is directed to develop rules regarding the Act, including rules to guide the waiver process and the process for public review and comment regarding requests for a waiver.

 The bill requires that if the Department of Administrative and Financial Services has reason to believe that any person, business or other entity has intentionally made fraudulent representations about the domestic content of a manufactured good or has intentionally violated any provision of the Act, the department must, after a hearing, debar that person, business or other entity from contracts or subcontracts with the State for 2 years.

The bill provides that the provisions of this legislation must be applied in a manner consistent with the State's obligations under any applicable international agreements pertaining to government procurement.