



COLORADO
WATER CONGRESS
INFORM | CONVENE | TRAIN | ACT

HB21-1168

SHORT TITLE: Historically Underutilized Business Local Government Procurement

LONG TITLE: Concerning historically underutilized businesses in local government procurement.

COMMITTEES: House Transportation & Local Government Committee

SPONSORS: Reps. Bacon and Ricks/Sen. Kolker

PURPOSE OF THE BILL: To require local governments with an annual procurement budget of \$500 million or more to require data collection on contracts awarded to underutilized businesses.

PROPONENTS OF THE BILL: N/A

POTENTIAL STAKEHOLDERS: School districts, cities and counties, special districts, home rule cities and counties, all local governments whose procurement budgets meet the threshold of \$500 million annually, advocacy organizations and chambers of commerce representing underutilized businesses.

BACKGROUND: According to the legislative declaration, to comply with 1989 Supreme Court decision governments must determine whether there is a compelling governmental interest to remedy past discrimination, before enacting or implementing race-conscious or gender-conscious programs that benefit certain groups. The tracking data required by this bill would provide evidence to determine the existence of bias for future disparity studies.

How does the bill change current law? Beginning in 2023 the bill requires local governments with an annual procurement budget above \$500 million annually to provide tracking data on contracts awarded to underutilized businesses at least 51% owned and controlled, in both the management and day-to-day business decisions, by one or more individuals who are:

- Members of a racial or ethnic minority group;
- Non-Hispanic Caucasian women;
- Persons with physical or mental disabilities;
- Members of the lesbian, gay, bisexual, and transgender community; or
- Veterans

Is this bill necessary this year? There is no deadline for enactment.

Does the bill affect the prior appropriations system? No.

How is the bill implemented? The data would be tracked by local governments meeting the threshold and reported annually to the Secretary of State, who would then report it to the Dept. of Local Affairs (DOLA). DOLA would summarize the information and include it in its annual SMART Act presentation to the General Assembly.

Practical considerations: What is the cost of establishing a tracking system for local governments?
What are the enforcement mechanisms if error or delay occurs in reporting?

Fiscal Impact: There is no fiscal impact statement.

DRAFT