
OLR Bill Analysis

sSB 525

AN ACT CONCERNING THE SELECTION OF CONTRACTORS FOR PUBLIC WORKS PROJECTS.

SUMMARY

This bill requires state contracting agencies to give a preference to manufacturers, fabricators, and erectors located in the state when awarding contracts to build, renovate, or demolish a public building or public works project administered by the state or its agents. If these in-state contractors are not available, the agencies must give preference to those contractors located in the U.S. The bill's requirement applies regardless of state contracting laws that generally require the state to use competitive bidding to award contracts to the lowest responsible qualified bidder.

Under the bill, state contracting agencies include any executive branch agency, board, commission, department, office, institution, or council. They do not include the judicial branch, the legislative branch, or the offices of the constitutional officers.

Existing law, unchanged by the bill, generally requires state contracting agencies to give a preference to in-state contractors when all other factors are equal (CGS § 4a-59(c)). It also requires the administrative services commissioner to develop and implement a program to increase the number of state contracts awarded to resident bidders through an in-state contract preference or other method that does not violate the U.S. Constitution's Commerce Clause (CGS § 4a-57d(b)).

(The bill does not specify how or the extent to which contracting agencies must give a preference to in-state contractors, or how to determine whether they are located in the state. Depending on how the bill's preference is implemented, it could implicate the U.S.

Constitution's Commerce Clause (U.S. Const. Art. I, § 8).

EFFECTIVE DATE: October 1, 2025

BACKGROUND

Dormant Commerce Clause

The Commerce Clause gives Congress the power to regulate commerce among the states. It has also been held to mean that states cannot pass laws that improperly burden or discriminate against interstate commerce. Under the so-called "dormant" Commerce Clause doctrine, it is generally held that a law that does not discriminate on its face, supports a legitimate state interest, and only incidentally burdens interstate commerce is constitutional unless the burden is excessive in relation to local benefits.

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable Substitute

Yea 9 Nay 4 (03/18/2025)