



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB5283

Introduced 2/10/2026, by Rep. Justin Slaughter

SYNOPSIS AS INTRODUCED:

30 ILCS 500/45-45

Amends the Illinois Procurement Code. In provisions concerning small business set-asides, provides that (i) no manufacturing business is a small business if it employs more than the number of persons set forth in the small business size standard for its specific industry, as established by the United States Small Business Administration (currently, 250 persons); and (ii) no construction business is a small business if its annual sales and receipts exceed the small business size standard for its specific industry, as established by the United States Small Business Administration (currently, \$14,000,000). Effective immediately.

LRB104 19985 HLH 33436 b

1 AN ACT concerning finance.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Procurement Code is amended by
5 changing Section 45-45 as follows:

6 (30 ILCS 500/45-45)

7 Sec. 45-45. Small businesses.

8 (a) Set-asides. Each chief procurement officer has
9 authority to designate as small business set-asides a fair
10 proportion of construction, supply, and service contracts for
11 award to small businesses in Illinois. Advertisements for bids
12 or offers for those contracts shall specify designation as
13 small business set-asides. In awarding the contracts, only
14 bids or offers from qualified small businesses shall be
15 considered.

16 (b) Small business. "Small business" means a business that
17 is independently owned and operated and that is not dominant
18 in its field of operation. The chief procurement officer shall
19 establish a detailed definition by rule, using in addition to
20 the foregoing criteria other criteria, including the number of
21 employees and the dollar volume of business. When computing
22 the size status of a potential contractor, annual sales and
23 receipts of the potential contractor and all of its affiliates

1 shall be included. The maximum number of employees and the
2 maximum dollar volume that a small business may have under the
3 rules promulgated by the chief procurement officer may vary
4 from industry to industry to the extent necessary to reflect
5 differing characteristics of those industries, subject to the
6 following limitations:

7 (1) No wholesale business is a small business if its
8 annual sales for its most recently completed fiscal year
9 exceed \$13,000,000.

10 (2) No retail business or business selling services is
11 a small business if its annual sales and receipts exceed
12 \$8,000,000.

13 (3) No manufacturing business is a small business if
14 it employs more than the number of persons set forth in the
15 small business size standard for its specific industry, as
16 established by the United States Small Business
17 Administration ~~250 persons~~.

18 (4) No construction business is a small business if
19 its annual sales and receipts exceed the small business
20 size standard for its specific industry, as established by
21 the United States Small Business Administration
22 ~~\$14,000,000~~.

23 (c) Fair proportion. For the purpose of subsection (a),
24 for State agencies of the executive branch, a fair proportion
25 of construction contracts shall be no less than 25% nor more
26 than 40% of the annual total contracts for construction.

1 (d) Withdrawal of designation. A small business set-aside
2 designation may be withdrawn by the purchasing agency when
3 deemed in the best interests of the State. Upon withdrawal,
4 all bids or offers shall be rejected, and the bidders or
5 offerors shall be notified of the reason for rejection. The
6 contract shall then be awarded in accordance with this Code
7 without the designation of small business set-aside. Each
8 chief procurement officer shall make the annual report
9 available on his or her official website. Each chief
10 procurement officer shall also issue a press release in
11 conjunction with the small business annual report that
12 includes an executive summary of the annual report and a link
13 to the annual report on the chief procurement officer's
14 website.

15 (e) Small business specialist. Each chief procurement
16 officer shall designate one or more individuals to serve as
17 its small business specialist. The small business specialists
18 shall collectively work together to accomplish the following
19 duties:

20 (1) Compiling and maintaining a comprehensive list of
21 potential small contractors. In this duty, he or she shall
22 cooperate with the Federal Small Business Administration
23 in locating potential sources for various products and
24 services.

25 (2) Assisting small businesses in complying with the
26 procedures for bidding on State contracts.

1 (3) Examining requests from State agencies for the
2 purchase of property or services to help determine which
3 invitations to bid are to be designated small business
4 set-asides.

5 (4) Making recommendations to the chief procurement
6 officer for the simplification of specifications and terms
7 in order to increase the opportunities for small business
8 participation.

9 (5) Assisting in investigations by purchasing agencies
10 to determine the responsibility of bidders or offerors on
11 small business set-asides.

12 (f) Small business annual report. Each small business
13 specialist designated under subsection (e) shall annually
14 before November 1 report in writing to the General Assembly
15 concerning the awarding of contracts to small businesses. The
16 report shall include the total value of awards made in the
17 preceding fiscal year under the designation of small business
18 set-aside. The report shall also include the total value of
19 awards made to businesses owned by minorities, women, and
20 persons with disabilities, as defined in the Business
21 Enterprise for Minorities, Women, and Persons with
22 Disabilities Act, in the preceding fiscal year under the
23 designation of small business set-aside.

24 The requirement for reporting to the General Assembly
25 shall be satisfied by filing copies of the report as required
26 by Section 3.1 of the General Assembly Organization Act.

1 (Source: P.A. 103-570, eff. 1-1-24.)

2 Section 99. Effective date. This Act takes effect upon
3 becoming law.