

# HOUSE BILL REPORT

## HB 2744

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### As Passed Legislature

**Title:** An act relating to veteran-owned businesses.

**Brief Description:** Modifying certain provisions governing veteran-owned businesses.

**Sponsors:** Representatives G. Hunt, Appleton, Tarleton and Freeman.

### Brief History:

#### Committee Activity:

Community Development, Housing & Tribal Affairs: 2/4/14, 2/5/14 [DP].

#### Floor Activity:

Passed House: 2/17/14, 97-0.

Passed Senate: 3/5/14, 48-0.

Passed Legislature.

### Brief Summary of Bill

- Requires businesses to be incorporated in the state or have its principal place of business in the state to be certified as a veteran-owned business.

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### HOUSE COMMITTEE ON COMMUNITY DEVELOPMENT, HOUSING & TRIBAL AFFAIRS

**Majority Report:** Do pass. Signed by 9 members: Representatives Appleton, Chair; Sawyer, Vice Chair; Johnson, Ranking Minority Member; Holy, Assistant Ranking Minority Member; Gregerson, Hope, Robinson, Santos and Young.

**Staff:** Sean Flynn (786-7124).

### Background:

#### Veteran-Owned Businesses.

The Department of Veterans Affairs (DVA) certifies certain businesses as veteran-owned businesses. The DVA collects and maintains a list of certified veteran-owned businesses on its website and issues decals for businesses to identify themselves as veteran-owned businesses.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Businesses may submit an application to the DVA for certification. To qualify as a veteran-owned business, a business must be at least 51 percent owned and controlled by a veteran or an active or reserve member of the Armed Forces, including the National Guard, Coast Guard, or reserves.

The Legislature encourages state agencies to award 3 percent of all procurement contracts that are exempt from competitive bidding to veteran-owned businesses, including contracts by higher education institutions and contracts for public works and personal service. The Department of Enterprise Services (DES) keeps records of all veteran-owned businesses certified by the DVA.

#### Veteran Definition.

Veteran is defined generally as any person who has received an honorable discharge or a discharge for medical reasons with an honorable record, and has served as:

- a member of any branch of the Armed Services, National Guard, or reserves, and has fulfilled his or her initial military obligation;
- a member of the Women's Air Force Service Pilots;
- a National Guard, reserves, or Coast Guard member called into federal service for at least a cumulative period of 6 months;
- a civil service crewmember in oceangoing service aboard a military transport vessel during World War II;
- a member of the Philippine Armed Forces or scouts during World War II; or
- a documented merchant mariner who received military commendation for oceangoing service aboard a military vessel during the Korean or Vietnam Wars.

#### **Summary of Bill:**

A qualifying veteran-owned business must be an enterprise incorporated in Washington as a domestic corporation, or an enterprise with its principal place of business located in the state.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

#### **Staff Summary of Public Testimony:**

(In support) This bill creates a certified list that is maintained by the DVA for veteran-owned businesses that are operating within the state or are incorporated in the state or are located in the state. Over 850 businesses are certified by the DVA, which will continue to grow.

(Opposed) None.

**Persons Testifying:** Representative Hunt, prime sponsor; Heidi Audette, Washington State Department of Veterans Affairs; and Ted Wicorek, Veterans Legislative Coalition.

**Persons Signed In To Testify But Not Testifying:** None.