
**Community Development, Housing &
Tribal Affairs Committee**

SSB 5834

Brief Description: Concerning veteran-owned businesses.

Sponsors: Senate Committee on Governmental Operations (originally sponsored by Senators Roach, Holmquist Newbry, Conway and McAuliffe; by request of Governor Inslee).

Brief Summary of Substitute Bill

- Allows businesses owned jointly by a veteran and his or her spouse or domestic partner to be certified as a veteran-owned business.
- Requires that all veteran-owned businesses are located in the state, owned by a resident of the state, or that all corporate officers are residents of the state.
- Encourages state agencies to award 5 percent of all procurement contracts to veteran-owned businesses.

Hearing Date: 3/19/13

Staff: Sean Flynn (786-7124).

Background:

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

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.

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.

Agencies must perform outreach to veteran-owned businesses and match records with the DVA list of certified veteran-owned businesses to determine how many contracts are awarded to veteran-owned businesses. The DVA must collaborate with and assist other agencies in implementing outreach to veteran-owned businesses.

Summary of Bill:

A business that is 51 percent owned and controlled jointly by a veteran and his or her spouse or domestic partner may qualify as a veteran-owned business, if the veteran is involved in the day-to-day business operations.

In order to qualify as a veteran-owned business, the DVA must certify one of the following:

- the veteran owner is a resident of the state;
- all corporate officers are residents if the business is a corporation; or
- the principal office of the business is located in the state.

State agencies are encouraged to award 5 percent of all procurement contracts for public works, goods and services, architectural and engineering services, and highway construction to certified veteran-owned businesses.

The DVA must work with the DES to provide access to a centralized list of all certified veteran-owned businesses and develop a comprehensive plan to ensure that veteran-owned businesses have an opportunity to participate in public contracts. The DVA must report annually on all state agencies and educational institutions contracting with veteran-owned businesses.

Appropriation: None.

Fiscal Note: Available.

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