

SENATE BILL REPORT

SB 5834

As Reported by Senate Committee On:
Governmental Operations, February 22, 2013

Title: An act relating to veteran-owned businesses.

Brief Description: Concerning veteran-owned businesses.

Sponsors: Senators Roach, Holmquist Newbry, Conway and McAuliffe; by request of Governor Inslee.

Brief History:

Committee Activity: Governmental Operations: 2/22/13 [DPS].

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Majority Report: That Substitute Senate Bill No. 5834 be substituted therefor, and the substitute bill do pass.

Signed by Senators Roach, Chair; Benton, Vice Chair; Hasegawa, Ranking Member; Braun, Conway, Fraser and Rivers.

Staff: Samuel Brown (786-7470)

Background: The Washington Department of Veterans Affairs (WDVA) certifies certain businesses as veteran-owned businesses. 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 to qualify as a veteran-owned business.

WDVA 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.

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 WDVA.

Agencies must perform outreach to veteran-owned businesses and match records with the WDVA list of certified veteran-owned businesses to determine how many contracts are

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awarded to veteran-owned businesses. WDVA must collaborate with and assist other agencies in implementing outreach to veteran-owned business.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Recommended Substitute): A business that is at least 51 percent owned and controlled jointly by a veteran and their spouse or domestic partner may qualify as a veteran-owned business if the veteran is involved in day-to-day business operations.

To qualify as a veteran-owned business, WDVA must certify at least one of the following:

- the principal office is located in the state;
- the veteran owner is a resident of the state; or
- if the business is a corporation, all corporate officers are residents of 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 transportation construction and maintenance to certified veteran-owned businesses. State agencies must also provide contracting records to match with WDVA's list of veteran-owned businesses.

WDVA and DES must 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. WDVA must report annually on all state agencies and educational institutions contracting with veteran-owned businesses.

EFFECT OF CHANGES MADE BY GOVERNMENTAL OPERATIONS COMMITTEE (Recommended Substitute): A business jointly owned by a veteran and the veteran's spouse or domestic partner may be certified as a veteran-owned business. All veteran-owned businesses must:

- be located in the state;
- be owned by a Washington resident; or
- ensure that all officers are Washington residents if the business is a corporation.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Veteran-owned businesses will get 5 percent of procurement contracts, and we are going to work with agencies to track this. This bill is going to be a benefit to the veteran community and veteran-owned businesses.

Persons Testifying: PRO: Alfie Alvarado, WDVA.