
**Technology & Economic Development
Committee**

HB 1255

Brief Description: Concerning the office of minority and women's business enterprises account.

Sponsors: Representatives Tarleton, Ryu, Kirby, Sawyer, Riccelli, Santos and Gregerson; by request of Office of Minority and Women's Business Enterprises.

Brief Summary of Bill

- Requires fees collected by the state for non-compliance with the Office of Minority and Women's Business Enterprises (OMWBE) provisions or contract requirements to be deposited in the OMWBE account.

Hearing Date: 1/28/15

Staff: Kirsten Lee (786-7133).

Background:

The Office of Minority and Women's Business Enterprises (OMWBE), created in 1983, is the sole authority in Washington for certifying minority, women-owned, and socially and economically disadvantaged businesses. Certified businesses are listed in the OMWBE database, which is used by cities, counties, state agencies, and transportation and educational institutions to source small and diverse firms for potential contracting opportunities.

Prohibited Activities.

Certain activities with respect to the OMWBE and its certification process are expressly prohibited in the OMWBE statute. A person, firm, corporation, business, union, or other organization may not:

- prevent or interfere with a contractor's or subcontractor's compliance with the OMWBE-related laws and rules;
- submit false or fraudulent information;

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- fraudulently obtain, retain, attempt to obtain, or retain certification;
- knowingly make a false statement to a state official or employee for the purpose of influencing certification or denial of certification;
- knowingly obstruct, impede, or attempt to obstruct or impede any state official or employee who is investigating the qualification of a business entity applying for certification;
- fraudulently obtain, attempt to obtain, or aid another person in fraudulently obtaining or attempting to obtain public moneys to which the person is not entitled; or
- knowingly make false statements that any entity is or is not certified for purposes of obtaining a contract.

Enforcement.

The state may impose penalties for violations of the OMWBE-related laws and rules, including for acts of misrepresentation and fraud used to obtain or retain certification, as well as violations of contract requirements. For any violation, the state may withhold payment, debar the contractor, suspend or terminate the contract, and impose civil penalties of up to 10 percent of the contract amount or up to \$5,000.

For a wilful and repeated violation, a contractor may be disqualified from state contracts for a period of up to 3 years. The OMWBE must adopt rules for imposing sanctions or fines. The Attorney General has the authority to enforce laws and rules with respect to the OMWBE programs and certification procedures. The Attorney General may conduct investigations by compelling the production of documents, oral testimony, and answers to interrogatories and may file for civil injunctive relief.

The Office of Minority and Women's Business Enterprises Account.

The OMWBE account, in the custody of the state treasurer, is funded with fees applied to businesses, political subdivision certification, and state agencies and educational institutions. This account is used for administration costs involved with operating the OMWBE.

Summary of Bill:

The Office of Minority and Women's Business Enterprises (OMWBE) account receives the receipts collected by the state from persons, firms, or corporations for non-compliance with OMWBE provisions or contract requirements.

Appropriation: None.

Fiscal Note: Requested.

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