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

HB 2744

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

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

Brief Summary of Bill

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

Hearing Date: 2/4/14

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.

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.

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.

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 the state 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.