

# HOUSE BILL REPORT

## HB 1652

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### As Reported By House Committee On:

State Government

**Title:** An act relating to providing entrepreneurial opportunities for disabled persons.

**Brief Description:** Providing entrepreneurial opportunities for disabled persons.

**Sponsors:** Representatives Carlson, Clements, Conway, Cairnes, Cody, Edmonds, Veloria, O'Brien and Mitchell.

### Brief History:

#### Committee Activity:

State Government: 2/17/99, 3/2/99 [DP].

#### Brief Summary of Bill

A five-year program is established to certify businesses that are owned and controlled by disabled persons.

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### HOUSE COMMITTEE ON STATE GOVERNMENT

**Majority Report:** Do pass. Signed by 8 members: Representatives McMorris, Republican Co-Chair; Romero, Democratic Co-Chair; Campbell, Republican Vice Chair; Miloscia, Democratic Vice Chair; Dunshee; Haigh; Lambert and D. Schmidt.

**Staff:** Steve Lundin (786-7127).

#### Background:

The Office of Minority and Women's Business Enterprises develops overall goals for the participation by qualified minority and women-owned and controlled businesses in contracts let by each state agency and institution of higher education, certifies businesses as being minority and women-owned and controlled businesses, and adopts standard contract clauses for the inclusion of minority and women-owned businesses.

Each state agency and institution of higher education was required to comply with the annual goals established for the agency or institution and to adopt a plan to insure that

minority and women-owned and controlled businesses are afforded the maximum practicable opportunity to directly and meaningfully participate in the public contracts let by the agency or institution for public works and the purchase of goods and services.

However, Initiative Measure No. 200 (I-200) was approved by voters in 1998. Among other provisions, I-200 provides that the state shall not grant preferential treatment to any individual or group on the basis of race or sex in the operation of public contracting. The Governor issued Governor's Directive No. 98-01 in December of 1998. Among other items, this directive provided that race and sex may not be used in the final selection of a bidder to a public contract and that adding points or preferences under the Minority and Women's Business Enterprises program shall be discontinued. The directive continued to provide that the goals set under the Minority and Women's Business Enterprises program shall not be mandatory, that sanctions may not be imposed for failing to comply with the goals, and the goals thereby do not conflict with I-200.

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**Summary of Bill:**

A five-year program is established to certify businesses that are owned and controlled by disabled persons and to apply the provisions of the Minority and Women Business Enterprises Program to businesses so certified, but not include any requirement that the goals established for such businesses are mandatory or a requirement to waive performance bonds in projects not exceeding \$25,000 in value. This program commences on July 1, 1999, and ends on June 30, 2004.

No more than 80 businesses per year may be certified as being owned and controlled by disabled persons and the Office of Minority and Women's Business Enterprises. For purposes of this program, a "disabled person" is defined as a person with a physical or mental impairment that substantially limits a major life activity. The impairment must be material and medically cognizable or diagnosable, and must be permanent, but does not include drug or alcohol addiction or any negative effects brought on by the use of drugs or alcohol.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect on July 1, 1999.

**Testimony For:** This is not about quotas. This enhances opportunities for these firms. By listing firms, they essentially get free advertising. Agencies and local governments ask for lists of such firms, but we do not have them. This is very limited by restricting the number of firms to no more than 80 per year. This has been four years in the working.

**Testimony Against:** None.

**Testified:** Skip Dreps, Northwest Chapter of Paralyzed Veterans of America; Glen Strachan; Washington Alliance for Business Owners with Disabilities; and Joe Whaley, citizen.