

# SENATE BILL REPORT

## SB 5834

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As of February 21, 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.

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### SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

**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 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.

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*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.*

**Summary of Bill (Proposed 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.

**Appropriation:** None.

**Fiscal Note:** Requested on February 20, 2013.

**Committee/Commission/Task Force Created:** No.

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