

SENATE BILL REPORT

2SHB 1909

As Reported by Senate Committee On:
Governmental Operations, February 27, 2014

Title: An act relating to veteran-owned businesses.

Brief Description: Concerning veteran-owned businesses.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives S. Hunt, O'Ban, Morrell, Hayes and Bergquist; by request of Governor Inslee).

Brief History: Passed House: 3/13/13, 97-0; 1/31/14, 95-0.

Committee Activity: Governmental Operations: 3/28/13, 2/20/14, 2/27/14 [DP-WM].

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Roach, Chair; Benton, Vice Chair; Hasegawa, Ranking Member; Conway, Dandel, McCoy 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: 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.

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:

Testimony From 2013 Regular Session.

PRO: This is a good way to improve veteran-owned businesses and keep the benefits to in-state businesses. The Veterans Legislative Coalition supports this bill. Many veterans finished management training through the state and would like the help competing with everyone else. This is a slightly less-complicated certification process than the Office of Minority and Women Business Enterprises, and we do not charge a fee. This makes the process for procurement easier and will impact all purchasing, not just non-competitive purchasing.

Testimony From 2014 Regular Session.

PRO: This helps in our effort to clarify and solidify our support for veteran-owned businesses. WDVA has certified 852 veteran-owned businesses, and is looking forward to this bill enabling expansion of the list. This is an important way for Washington to honor its veterans for their service.

Persons Testifying:

Persons Testifying From 2013 Regular Session.

PRO: Representative Hunt, prime sponsor; Dan Miller, Veterans Legislative Coalition; Skip Dreps, NW Chapter, Paralyzed Veterans of America; Heidi Audette, WDVA.

Persons Testifying From 2014 Regular Session.

PRO: Representative Hunt, prime sponsor; Heidi Audette, WA State Dept. of Veterans Affairs.