

SENATE BILL REPORT

2SHB 1909

As Reported by Senate Committee On:
Governmental Operations, February 27, 2014
Ways & Means, March 3, 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].
Ways & Means: 3/03/14 [DP].

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, Dansel, McCoy and Rivers.

Staff: Samuel Brown (786-7470)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Hill, Chair; Baumgartner, Vice Chair; Honeyford, Capital Budget Chair; Hargrove, Ranking Member; Keiser, Assistant Ranking Member on the Capital Budget; Ranker, Assistant Ranking Member on the Operating Budget; Bailey, Becker, Billig, Braun, Conway, Dammeier, Fraser, Frockt, Hasegawa, Hatfield, Hewitt, Kohl-Welles, Padden, Parlette, Rivers, Schoesler and Tom.

Staff: Carma Matti-Jackson (786-7454)

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.

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.

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: 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 (Governmental Operations):

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 (Governmental Operations):

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.

Staff Summary of Public Testimony (Ways & Means): PRO: WDVA is asking for support for this bill. We currently have about 850 businesses on a registry that state agencies may use to review and select a veteran-owned business with which to contract. This bill will help us grow the number of veteran-owned businesses on the registry that the state can choose from. It will also allow WDVA to provide more outreach, more coaching, and more connections between veteran-owned businesses and the agencies which could benefit from their work.

Persons Testifying (Ways & Means): PRO: Alfie Alvarado Ramos, WDVA, Director.