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**Technology, Economic Development, &  
Veterans Committee**

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**HB 2684**

**Brief Description:** Establishing guidelines for what constitutes a socially disadvantaged individual for the purpose of business enterprise state certification.

**Sponsors:** Representatives Farivar, Salahuddin and Parshley.

**Brief Summary of Bill**

- Creates a rebuttable presumption that women, Black/African American, Hispanic/Latino, Native American, Asian, Pacific Islander, Native Hawaiian, Middle Eastern/North African, LGBTQ, or other individuals identified by the Office of Minority and Women's Business Enterprises in rule are socially disadvantaged for purposes of state certification.

**Hearing Date:** 2/3/26

**Staff:** Martha Wehling (786-7067).

**Background:**

The Office of Minority and Women's Business Enterprises (OMWBE) was created to provide minority- and women-owned and controlled businesses with the maximum practicable opportunity for increased participation in public works contracts and public contracts for goods and services. The OMWBE is the sole authority in Washington for certifying minority- and women-owned business enterprises.

A business must apply for certification with the OMWBE, and must meet qualification criteria. The primary owner must have 51 percent ownership of the business and be both socially and economically disadvantaged. There are also restrictions on business size and gross receipts.

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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 part of the legislation nor does it constitute a statement of legislative intent.*

Certified business enterprises are listed in the OMWBE database. Cities, counties, state agencies, transportation, and educational institutions use the database to source small and diverse firms for potential contracting opportunities. A certified business is also eligible for a program which decreases interest rates on small business loans.

The OMWBE rules define a "socially disadvantaged individual" as consistent with federal law and including:

- A person who has been subjected to racial or ethnic prejudice or cultural bias within American society because of his or her identity as a member of groups and without regard to his or her individual qualities. The social disadvantage must stem from circumstances beyond the individual's control.
- Any individual who the agency finds to be a socially disadvantaged individual on a case-by-case basis.
- Any individual in the following groups, members of whom are rebuttably presumed to be socially disadvantaged for the purposes of certification:
  - persons who are Asian or Pacific islander; person whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Guam, the Republic of Palau, the Federated States of Micronesia, and the Republic of Marshall Islands, Commonwealth of the Northern Mariana Islands, Samoa, Macao, Fiji, Tonga, Kiribati, Tuvalu, Nauru, Hong Kong, India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal, or Sri Lanka;
  - persons who are black/African American; persons having origins in any of the black racial groups of Africa;
  - persons who are Hispanic/Latino; persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;
  - persons who are Native American or Alaska native; persons who are members or descendants of a federal or state recognized Indian tribe or Alaska native corporation;
  - persons who are native Hawaiian; persons whose ancestors were natives, prior to 1778, of the area which now comprises the state of Hawaii;
  - women;
  - any additional groups whose members are designated as socially and economically disadvantaged by the United States Small Business Administration (SBA), at such time as the SBA designation becomes effective; and
  - LGBTQ individuals.

### **Summary of Bill:**

Women, Black/African American, Hispanic/Latino, Native American, Asian, Pacific Islander, Native Hawaiian, Middle Eastern/North African, LGBTQ, and other individuals identified by the OMWBE in rule are presumed to be socially disadvantaged for the purpose of state certification.

The presumption is rebuttable.

**Appropriation:** None.

**Fiscal Note:** Requested on January 27, 2026.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.