

HOUSE No. 3400

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act relative to veteran owned small business..

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 115 of the General Laws is hereby amended by inserting after
2 section 2B the following new section:—

3 Section 2C. The Commonwealth-wide goal for participation by small businesses owned
4 and controlled by veterans shall be established at not less than 3 percent of total value of all state
5 contract and sub-contract awards for each fiscal year.

6 For the purposes of this section, a veteran-owned small business shall be defined as any
7 contracting or sub-contracting business, or businesses that supply contractors or sub-contractors
8 which are beneficially owned by one or more veteran as defined in clause Forty-third of section
9 seven of chapter four and as follows:

10 (i) the business must be at least 51 percent owned by a veteran or veterans; in the case of
11 a corporation having one or more class of stockholders, the ownership must be met as to each
12 class of stock;

13 (ii) the business must employ at least one but no more than 100 employees, with a
14 majority of those employed by the business working at least 40 hours per week.

15 (iii) the veteran owner or owners shall demonstrate that they have dominant control over
16 management;

17 (vi) the business has not been established solely for the purpose of taking advantage of
18 any special program which has been developed to assist veteran-owned businesses;

19 (v) in the case of a joint venture between a veteran-owned business meeting the
20 requirements of clauses (i) and (iii), inclusive, and a non-veteran-owned business, the joint
21 venture should be found to be a veteran-owned business if the veteran-owned business meeting
22 the requirements of said clauses (i) and (iii), inclusive, shall have more than one-half control
23 over management of the project bid and shall have the right to receive more than one-half of the
24 profits deriving from the that project.

25 The Massachusetts Office of Business Development shall oversee and administer the
26 program and work in collaboration with the Massachusetts Small Business Development Center
27 and the National Veterans Business Development Corporation to establish and update, by
28 periodic additions and deletions, a list of veteran-owned businesses defined under this section
29 and shall cause the list to be published in the central register established in section 20 of chapter
30 9, and filed with the Joint Committee on State Administration, the Joint Committee on Veteran's
31 and Federal Affairs, and in such other publications as the chair of the Office shall designate. The
32 Department of Veterans Services shall assist the Office to validate the veteran status of all
33 veteran-owners applying for state contracts or sub-contracts under this section.

34 The Office shall submit an annual report disclosing the actual percentage of contracts
35 awarded to veteran-owned small businesses and a detailed listing of contracts awarded to
36 veteran-owned small businesses to the Secretary of the Department of Veteran's Services, the
37 Secretary of the Department of Administration and Finance, and to the House and Senate Chairs
38 of the Joint Committee on Veteran's and Federal Affairs.

39 SECTION 2. This act shall take effect on the first day of the next fiscal year following
40 the act's passage.