

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 623

PRINTER'S NO. 1978

AMOUNT

No Fiscal Impact

FUND

General

DATE INTRODUCED

February 23, 2011

PRIME SPONSOR

Senator Tomlinson

HISTORY OF BILL

Referred to VETERANS AFFAIRS AND EMERGENCY PREPAREDNESS, Feb. 23, 2011

Reported as committed, March 8, 2011

First consideration, March 8, 2011

Re-referred to APPROPRIATIONS, April 13, 2011

Re-reported as amended, March 5, 2012

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 623 establishes a new chapter 22 (Veteran-Owned Small Business) in Title 62 (Procurement) to provide for veteran-owned small business participation in contracts let by Commonwealth agencies.

The legislation requires purchasing agencies to have a goal of not less than 5 percent participation by veteran-owned small businesses. The participation goal is to apply to the overall dollar amount expended by the purchasing agency. Purchasing agencies are given the authority to reduce the level or change the type of bonding requirements necessary, accept alternative forms of security or to make special provisions regarding progress payments in order to encourage veteran-owned small business participation and provides an exemption for contracts under \$100,000. In addition, purchasing agencies are required to comply with federal law and regulations when procurement involves expenditure of Federal assistance or contact funds.

The bill requires the Department of General Services to:

- Provide appropriate staff assistance to veteran-owned small businesses so that they may learn about and participate in the procurement process including outreach, special veteran-owned small business oriented publications and training programs;
- Compile and maintain solicitation listings of veteran-owned small businesses and assure that such businesses are solicited for each procurement for which they may be suited;

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- Provide for an annual report to the General Assembly concerning the awarding of contracts to veteran-owned small business; and,
- To establish regulations in accordance with this chapter.

The bill calls for the new chapter to become effective 60 days from enactment.

FISCAL IMPACT:

The enactment of Senate Bill 623 will have no adverse fiscal impact on Commonwealth funds. Presently, the Department of General Services administers programs for minority and women-owned business participation through its Bureau of Minority and Women Business Opportunities after which the veteran-owned small business participation program contained in the legislation is modeled. Also, the Governor recently signed an executive order which encourages veteran-owned small businesses to participate in the state's procurement process which encompasses much of what it proposed in the legislation. It is believed the Department could operate the veterans-owned small business participation program at minimal cost within its existing operating budget.