

**HOUSE . . . . . No. 3400**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

**Robert P. Spellane**

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act relative to veteran owned small business.

PETITION OF:

NAME:

Robert P. Spellane

DISTRICT/ADDRESS:

13th Worcester

[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE HOUSE, NO. 3726 OF 2007-2008.]

## The Commonwealth of Massachusetts

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In the Year Two Thousand and Nine

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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 section 2B  
2 the following new section:—

3 Section 2C. The Commonwealth-wide goal for participation by small businesses owned and  
4 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 a  
11 corporation having one or more class of stockholders, the ownership must be met as to each class  
12 of stock;

13 (ii) the business must employ at least one but no more than 100 employees, with a majority of  
14 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 any  
18 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 requirements of  
20 clauses (i) and (iii), inclusive, and a non-veteran-owned business, the joint venture should be  
21 found to be a veteran-owned business if the veteran-owned business meeting the requirements of  
22 said clauses (i) and (iii), inclusive, shall have more than one-half control over management of the  
23 project bid and shall have the right to receive more than one-half of the profits deriving from the  
24 that project.

25 The Massachusetts Office of Business Development shall oversee and administer the program  
26 and work in collaboration with the Massachusetts Small Business Development Center and the  
27 National Veterans Business Development Corporation to establish and update, by periodic  
28 additions and deletions, a list of veteran-owned businesses defined under this section and shall  
29 cause the list to be published in the central register established in section 20 of chapter 9, and  
30 filed with the Joint Committee on State Administration, the Joint Committee on Veteran's and  
31 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 awarded to  
35 veteran-owned small businesses and a detailed listing of contracts awarded to veteran-owned

36 small businesses to the Secretary of the Department of Veteran's Services, the Secretary of the  
37 Department of Administration and Finance, and to the House and Senate Chairs of the Joint  
38 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 the act's  
40 passage.