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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. **2671**

February 4, 2010

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The bill was read for the first time and referred to the Committee on Agriculture, Rural Economies and Veterans Affairs

1.1 A bill for an act
1.2 relating to veterans; broadening eligibility for the bid preference program for
1.3 designated veteran-owned small businesses bidding for state contracts for goods
1.4 and services; amending Minnesota Statutes 2009 Supplement, sections 16C.16,
1.5 subdivision 6a; 16C.19.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2009 Supplement, section 16C.16, subdivision 6a, is
1.8 amended to read:

1.9 Subd. 6a. **Veteran-owned small businesses.** (a) The commissioner shall award up
1.10 to a six percent preference, but no less than the percentage awarded to any other group
1.11 under this section, in the amount bid on state procurement to certified small businesses
1.12 that are majority-owned and operated ~~either:~~

1.13 ~~(1) by recently separated veterans, who are one or more veterans, as defined in~~
1.14 ~~section 197.447, who have served in active military service; at any time ~~on or after~~~~
1.15 ~~September 11, 2001; and who have been discharged under honorable conditions from~~
1.16 ~~active service, as indicated by the person's United States Department of Defense form~~
1.17 ~~DD-214 or by the commissioner of veterans affairs; ~~or,~~~~

1.18 ~~(2) by veterans who are veterans as defined in section 197.447, with~~
1.19 ~~service-connected disabilities, as determined at any time by the United States Department~~
1.20 ~~of Veterans Affairs.~~

1.21 (b) The purpose of this designation is to facilitate the transition of veterans from
1.22 military to civilian life, and to help compensate veterans for their sacrifices, including but
1.23 not limited to their sacrifice of health and time, to the state and nation during their military
1.24 service, as well as to enhance economic development within Minnesota.

2.1 ~~(c) For purposes of this section and section 16C.19, "service-connected disability"~~
 2.2 ~~has the meaning given in United States Code, title 38, section 101(16), as determined by~~
 2.3 ~~the United States Department of Veterans Affairs.~~

2.4 **EFFECTIVE DATE.** This section is effective July 1, 2010, and applies to
 2.5 businesses that apply for state contracts being awarded on or after that date.

2.6 Sec. 2. Minnesota Statutes 2009 Supplement, section 16C.19, is amended to read:

2.7 **16C.19 ELIGIBILITY; RULES.**

2.8 (a) A small business wishing to participate in the programs under section 16C.16,
 2.9 subdivisions 4 to 7, must be certified by the commissioner. The commissioner shall adopt
 2.10 by rule standards and procedures for certifying that small businesses, small targeted group
 2.11 businesses, and small businesses located in economically disadvantaged areas are eligible
 2.12 to participate under the requirements of sections 16C.16 to 16C.21. The commissioner
 2.13 shall adopt by rule standards and procedures for hearing appeals and grievances and other
 2.14 rules necessary to carry out the duties set forth in sections 16C.16 to 16C.21.

2.15 (b) The commissioner may make rules which exclude or limit the participation of
 2.16 nonmanufacturing business, including third-party lessors, brokers, franchises, jobbers,
 2.17 manufacturers' representatives, and others from eligibility under sections 16C.16 to
 2.18 16C.21.

2.19 (c) The commissioner may make rules that set time limits and other eligibility limits
 2.20 on business participation in programs under sections 16C.16 to 16C.21.

2.21 (d) Notwithstanding paragraph (c), for purposes of sections 16C.16 to 16C.21,
 2.22 a veteran-owned small business ~~or service-disabled veteran-owned small business~~, the
 2.23 principal place of business of which is in Minnesota, is certified if:

2.24 ~~(1)~~ it has been verified by the United States Department of Veterans Affairs as
 2.25 being either a veteran-owned small business or a service-disabled veteran-owned small
 2.26 business, in accordance with Public Law 109-461 and Code of Federal Regulations, title
 2.27 38, part 74; ~~and a majority of the owners of the business are recently separated veterans as~~
 2.28 ~~provided in section 16C.16, subdivision 6a; or~~

2.29 ~~(2)~~ it has been verified by the United States Department of Veterans Affairs as being
 2.30 ~~a service-disabled veteran-owned small business in accordance with Public Law 109-461~~
 2.31 ~~and Code of Federal Regulations, title 38, part 74.~~

2.32 **EFFECTIVE DATE.** This section is effective July 1, 2010, and applies to
 2.33 businesses that apply for state contracts being awarded on or after that date.