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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-SIXTH
SESSION

HOUSE FILE No. 557

February 5, 2009

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

March 12, 2009

Committee Recommendation and Adoption of Report:

To Pass as Amended and re-referred to the Committee on Finance

1.1 A bill for an act
1.2 relating to state government; authorizing preferences in state procurement for
1.3 veteran-owned small businesses, including service-disabled veteran-owned small
1.4 businesses; amending Minnesota Statutes 2008, sections 16C.16, by adding a
1.5 subdivision; 16C.19.

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

1.7 Section 1. Minnesota Statutes 2008, section 16C.16, is amended by adding a
1.8 subdivision to read:

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

1.13 (1) by veterans, as indicated by the person's United States Department of Defense
1.14 form DD-214 or by the commissioner of veterans affairs; or

1.15 (2) by veterans having service-connected disabilities, as determined at any time by
1.16 the United States Department of Veterans Affairs.

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

1.21 (c) For purposes of this section and section 16C.19, the following terms have the
1.22 meanings given them:

1.23 (1) "veteran" has the meaning given in section 197.447;

1.24 (2) "service-connected disability" has the meaning given in United States Code, title
1.25 38, section 101(16), as determined by the United States Department of Veterans Affairs.

2.1 **EFFECTIVE DATE.** This section is effective July 1, 2009, and applies to
2.2 procurement contract bid solicitations issued on and after that date.

2.3 Sec. 2. Minnesota Statutes 2008, section 16C.19, is amended to read:

2.4 **16C.19 ELIGIBILITY; RULES.**

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

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

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

2.18 (d) Notwithstanding paragraphs (b) and (c), for purposes of sections 16C.16
2.19 to 16C.21, a veteran-owned small business or service-disabled veteran-owned small
2.20 business, the principal place of business of which is in Minnesota, is certified if it has been
2.21 verified by the United States Department of Veterans Affairs as being a veteran-owned
2.22 small business or service disabled veteran-owned small business in accordance with
2.23 Public Law 109-461 and Code of Federal Regulations, title 38, part 74.

2.24 **EFFECTIVE DATE.** This section is effective July 1, 2009, and applies to
2.25 procurement contract bid solicitations issued on and after that date.