

**HOUSE . . . . . No. 3726**

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By Mr. Spellane of Worcester, petition of Robert P. Spellane and others relative to the definition of veteran-owned small businesses and the compilation of such businesses by the Office of Business Development of the Commonwealth. Veterans and Federal Affairs.

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**The Commonwealth of Massachusetts**

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PETITION OF:

Robert P. Spellane  
Anthony J. Verga

John A. Hart, Jr.  
Michael W. Morrissey

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In the Year Two Thousand and Seven.

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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  
2 by inserting after Section 2B the following new section:—

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

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

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

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

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

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

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

31 The Massachusetts Office of Business Development shall oversee  
32 and administer the program and work in collaboration with the  
33 Massachusetts Small Business Development Center and the National  
34 Veterans Business Development Corporation to establish and update,  
35 by periodic additions and deletions, a list of veteran-owned busi-  
36 nesses defined under this section and shall cause the list to be pub-  
37 lished in the central register established in Section 20 of Chapter 9,  
38 and filed with the Joint Committee on State Administration, the Joint  
39 Committee on Veteran's and Federal Affairs, and in such other pub-  
40 lications as the chair of the Office shall designate. The Department  
41 of Veterans Services shall assist the Office to validate the veteran  
42 status of all veteran-owners applying for state contracts or sub-con-  
43 tracts under this section.

44 The Office shall submit an annual report disclosing the actual per-  
45 centage of contracts awarded to veteran-owned small businesses and  
46 a detailed listing of contracts awarded to veteran-owned small busi-  
47 nesses to the Secretary of the Department of Veteran's Services, the  
48 Secretary of the Department of Administration and Finance, and to  
49 the House and Senate Chairs of the Joint Committee on Veteran's  
50 and Federal Affairs.

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