

**ASSEMBLY BILL**

**No. 717**

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**Introduced by Assembly Member Chávez**

February 21, 2013

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An act to amend Section 999.51 of the Military and Veterans Code, relating to veterans.

LEGISLATIVE COUNSEL'S DIGEST

AB 717, as introduced, Chávez. Nonprofit veteran service agencies. Existing law allows a nonprofit veteran service agency, as defined, to be eligible for certification as a small business, as described, and be granted a small business bid preference, provided certain requirements are met.

This bill would make a nonsubstantive change to that provision.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 999.51 of the Military and Veterans Code  
2 is amended to read:  
3 999.51. (a) A nonprofit veteran service agency shall be eligible  
4 for certification as a small business under the Small Business  
5 Procurement and Contract Act, as described in Chapter 6.5  
6 (commencing with Section 14835) of Part 5.5 of Division 3 of  
7 Title 2 of the Government Code, and may be granted a small  
8 business bid preference if it meets all of the following conditions:  
9 (1) The goods or services meet the specifications and needs of  
10 the purchasing agency.

1 (2) The goods or services are purchased at a fair and reasonable  
2 price, as determined by the appropriate state or local agency.

3 (3) The nonprofit veteran service agency complies with all of  
4 the following requirements:

5 (A) The nonprofit veteran service agency shall employ veterans  
6 receiving services from the nonprofit veteran service agency for  
7 not less than 75 percent of the person-hours of direct labor required  
8 for the production of goods and the provision of services performed  
9 pursuant to a contract under this section.

10 (B) The nonprofit veteran service agency agrees to make those  
11 elections permitted of any nonprofit corporation under the Federal  
12 Insurance Contributions Act (26 U.S.C. Sec. 3103 et seq.) and the  
13 Unemployment Insurance Code in order to provide social security  
14 and unemployment and disability benefits for its employees,  
15 commencing with its first contract or purchase order under this  
16 section and continuing thereafter. In the event that the nonprofit  
17 veteran service agency ceases to provide those benefits, any  
18 existing contract or purchase order under this section with the  
19 nonprofit veteran service agency is terminated and no further  
20 contracts or purchase orders shall be awarded to that nonprofit  
21 veteran service agency for the period of two years after the  
22 nonprofit veteran service agency ceases to provide the benefits.

23 (C) The nonprofit veteran service agency does not commit any  
24 unfair labor practices, as defined in the National Labor Relations  
25 Act, at Section 158 of Title 29 of the United States Code.

26 (D) The nonprofit veteran service agency abides by the  
27 provisions of the federal Fair Labor Standards Act of 1938 (29  
28 U.S.C. Sec. 201 et seq.), the Walsh-Healy Public Contract Act (41  
29 U.S.C. Sec. 35 et seq.), and the regulations of the Department of  
30 Industrial Relations (8 Cal. Code Regs. 1 et seq.).

31 (b) For purposes of this section, *all of the following shall apply*:

32 (1) “Nonprofit veteran service agency” means a  
33 community-based organization that meets the following  
34 requirements:

35 (A) It is exempt from tax under Section 501(c)(3) of the Internal  
36 Revenue Code.

37 (B) Its principal purpose is to provide housing, substance abuse,  
38 case management, and employment training services for  
39 low-income veterans, disabled veterans, or homeless veterans and  
40 their families.

1 (2) “Direct labor” includes all work required for preparation,  
2 processing, and packing of a good, or work directly relating to the  
3 performance of a service, excluding supervision, administration,  
4 inspection, and shipping.

5 (3) A veteran receiving services from the nonprofit veteran  
6 service agency shall be considered an employee when performing  
7 productive work.

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