

ASSEMBLY BILL

No. 460

Introduced by Assembly Member Weber

February 23, 2015

An act to amend Section 999.2 of the Military and Veterans Code, relating to veterans.

LEGISLATIVE COUNSEL'S DIGEST

AB 460, as introduced, Weber. Veterans: disabled veterans business enterprises.

Existing law requires contracts awarded by any state agency, department, officer, or other state governmental entity, including school districts, as provided, to have statewide participation goals of not less than 3% for disabled veteran business enterprises, as defined.

This bill would make technical, nonsubstantive changes 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 999.2 of the Military and Veterans Code
- 2 is amended to read:
- 3 999.2. (a) Notwithstanding any other ~~provision~~ of law,
- 4 contracts awarded by any state agency, department, officer, or
- 5 other state governmental entity, including school districts when
- 6 they are expending state funds for construction, professional
- 7 services (except those subject to Chapter 6 (commencing with
- 8 Section 16850) of Part 3 of Division 4 of Title 2 of the Government

1 Code), materials, supplies, equipment, alteration, repair, or
2 improvement shall have statewide participation goals of not less
3 than 3 percent for disabled veteran business enterprises. These
4 goals apply to the overall dollar amount expended each year by
5 the awarding department.

6 (b) For purposes of this ~~section~~: *section the following definitions*
7 *apply:*

8 (1) “Broker” or “agent” means any individual or entity, or any
9 combination thereof, that does not have title, possession, control,
10 and risk of loss of materials, supplies, services, or equipment
11 provided to an awarding department, unless one or more certified
12 disabled veterans has 51 percent ownership of the quantity and
13 value of the materials, supplies, services, and of each piece of
14 equipment provided under the contract.

15 (2) “Equipment” means any piece of equipment that is used or
16 provided for rental to any state agency, department, officer, or
17 other state governmental entity, including equipment for which
18 operators are provided.

19 (3) “Equipment broker” means any broker or agent who rents
20 equipment to an awarding department.

21 (c) A disabled veteran business enterprise that rents equipment
22 to an awarding department shall be deemed to be an equipment
23 broker unless one or more disabled veterans has 51-percent
24 ownership of the quantity and the value of each piece of equipment.
25 If the equipment is owned by one or more disabled veterans, each
26 disabled veteran owner shall, prior to performance under any
27 contract, submit to the awarding department a declaration signed
28 by the disabled veteran owner stating that the owner is a disabled
29 veteran and providing the name, address, telephone number, and
30 tax identification number of the disabled veteran owner. Each
31 disabled veteran owner shall submit his or her federal income tax
32 returns to the administering agency pursuant to subdivision (g) as
33 if he or she were a disabled veteran business enterprise. The
34 disabled veteran business enterprise of a disabled veteran owner
35 who fails to submit his or her tax returns will be deemed to be an
36 equipment broker.

37 (d) A disabled veteran business enterprise that rents equipment
38 to an awarding department shall, prior to performing the contract,
39 submit to the awarding department a declaration signed by each
40 disabled veteran owner and manager of the enterprise stating that

1 the enterprise obtained the contract by representing that the
2 enterprise was a disabled veteran business enterprise meeting and
3 maintaining all of the requirements of a disabled veteran business
4 enterprise. The declaration shall include the name, address,
5 telephone number, and tax identification number of the owner of
6 each piece of equipment identified in the contract.

7 (e) State funds expended for equipment rented from equipment
8 brokers pursuant to contracts awarded under this section shall not
9 be credited toward the 3-percent goal.

10 (f) A disabled veteran business enterprise that is a broker or
11 agent and that obtains a contract pursuant to subdivision (a) shall,
12 prior to performing the contract, disclose to the awarding
13 department that the business is a broker or agent. The disclosure
14 shall be made in a declaration signed and executed by each disabled
15 veteran owner and manager of the enterprise, declaring that the
16 enterprise is a broker or agent, and identifying the name, address,
17 and telephone number of the principal for whom the enterprise is
18 acting as a broker or agent.

19 (g) (1) A disabled veteran business enterprise, and each owner
20 thereof, shall, at the time of certification, submit to the
21 administering agency complete copies of the enterprise's federal
22 income tax returns for the three previous tax years.

23 (2) A disabled veteran business enterprise, and each owner
24 thereof, shall submit to the administering agency complete copies
25 of the enterprise's federal income tax returns that have a
26 postcertification due date, on or before the due date, including
27 extensions.

28 (3) A disabled veteran business enterprise that, and each owner
29 thereof who, has not submitted to the administering agency
30 complete copies of the enterprise's federal income tax returns for
31 the three tax years preceding certification nor for each
32 postcertification tax year for which a return was required to be
33 filed, shall have 90 days to submit those returns.

34 (4) A disabled veteran business enterprise that fails to comply
35 with any provision of this subdivision shall be prohibited from
36 participating in any state contract until the disabled veteran
37 business enterprise complies with the provisions of this subdivision.
38 Funds expended involving a disabled veteran business enterprise
39 during any period in which that enterprise is not in compliance

1 with the provisions of this subdivision shall not be credited toward
2 the awarding department's 3-percent goal.
3 (h) A disabled veteran business enterprise that fails to maintain
4 the certification requirements set forth in this article shall
5 immediately notify the awarding department and the administering
6 agency of that failure by filing a notice of failure that states with
7 particularity each requirement the disabled veteran business
8 enterprise has failed to maintain.

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