



## DVBE Advisory Council - 2014

### Legislative Committee

### Progress on Objectives and Metrics

July 10, 2014

Chair: Ken Shoemake  
Member: Valerie Lewis

Vice-Chair: William Schroyer  
CalVet Liaison: Gloria Anderson

Meetings since last council meeting: None      Next committee conference call: None scheduled

**Objective Statement #1** - The Legislative Committee will pursue change to Military & Veterans Code Section 999(b)(7)(B) by recommending the deletion of: “and solely for purposes of any contract entered into before that death or certification of a permanent medical disability.”

Background: M&VC 999(b)(7)(B) - Notwithstanding subparagraph (A), after the death or the certification of a permanent medical disability of a disabled veteran who is a majority owner of a business that qualified as a DVBE prior to that death or certification of a permanent medical disability, and solely for purposes of any contract entered into before that death or certification, that business shall be deemed to be a DVBE for a period not to exceed three years after the date of that death or certification of a permanent medical disability, if the business is inherited or controlled by the spouse or child of that majority owner, or by both of those persons.

**Progress on Objective #1** – At the April 17, 2014, Deputy Secretary Keith Boylan requested that the Committee document Federal survivorship for disabled veteran business owners and provide copies at the July DVBE Council Meeting. The committee has not yet discussed Mr. Boylan’s request.

**Objective Statement #2** - The Legislative Committee will provide feedback to the DVBE Council with regard to legislative recommendations from the State DVBE program audit report.

**Progress on Objective #2**– The committee will research the need for legislative change(s) and draft well-substantiated proposal(s) to submit to DVBE Council by October 2014. Mr. Boylan requested that the Legislative Committee draft a list of FY 2013/14 pending bills that would impact DVBE for the July Council Meeting. Gloria Anderson confirmed that there is only Assembly Bill (AB) 1568 that is still active.

**Objective Statement #3** – The Legislative Committee will coordinate with the DGS’ Small Business Advisory Council to propose or support changes to the Prompt Payment Act (Public Contract Code Section 927-927.13) to provide for the same interest rate previously paid to certified small businesses prior to the passage of SB 856. SB 856 greatly reduced the rate effective October 2010. There may also be interest to expand the Prompt Payment Act to include DVBEs that are

not certified also as a small business or add a provision to defer sales tax payments without penalty when the State of California does not have a budget.

**Progress on Objective #3** - Input from representative to DGS' Small Business Advisory Council reports there is no interest in making changes at this time to the Prompt Payment Act. No further action taken.