



Senate

General Assembly

File No. 342

January Session, 2013

Substitute Senate Bill No. 931

Senate, April 4, 2013

The Committee on Commerce reported through SEN. LEBEAU of the 3rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING VETERAN-OWNED SMALL BUSINESSES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) The Department of
2 Economic and Community Development shall, within available
3 resources, establish and maintain a registry of data pertaining to small
4 business concerns owned and controlled by veterans and small
5 business concerns owned and controlled by service-disabled veterans
6 that maintain their principal place of business in the state. Such
7 registry shall include, but not be limited to, the name of the veteran or
8 veterans who own each such business concern, the location of such
9 business concern and the type of business in which each such business
10 concern engages. The department shall request this information
11 annually from the United States Department of Veterans Affairs and
12 any other appropriate state and federal agencies. For purposes of this
13 section, "small business concern owned and controlled by veterans"
14 and "small business concern owned and controlled by service-disabled
15 veterans" have the same meanings as provided in 15 USC 632(q), as

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 13 \$	FY 14 \$	FY 15 \$
Department of Economic & Community Development	GF - Potential Cost	Potential	50,000	50,000
State Comptroller - Fringe Benefits ¹	GF - Potential Cost	Potential	17,270	17,270

Municipal Impact: None

Explanation

The bill requires the Department of Economic and Community Development (DECD) to establish and maintain a registry of data relating to small business concerns in Connecticut owned and controlled by service-disabled veterans within available appropriations. However, if the bill were to be implemented the costs to the DECD would be \$67,270 in FY 14 and FY 15.

These costs include one full time staff position at an annual cost of \$67,270 (\$50,000 in salary and \$17,270 in fringe benefits) that would be required to survey businesses in the state, verify which businesses meet the qualifications in the bill and report the findings annually to the General Assembly. If DECD were to implement the bill before July 2013, a portion of the annualized cost listed above would be incurred in FY 13.

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 34.54% of payroll in FY 14 and FY 15.

The bill permits DECD to request information from appropriate state and federal agencies; however, no agency currently tracks this data, so it is assumed that DECD would need to survey all small businesses in the state. There are an estimated 326,000 small businesses with less than 500 employees.²

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation. In addition, normal annual pension costs (currently estimated at 7.5% of payroll) attributable to the identified personnel changes will be recognized in the state's annual required pension contribution in future actuarial valuations.

² U.S. Small Business Administration: Office of Advocacy, "Small Business Profile: Connecticut," February 2013.

OLR Bill Analysis**sSB 931*****AN ACT CONCERNING VETERAN-OWNED SMALL BUSINESSES.*****SUMMARY:**

This bill requires the Department of Economic and Community Development (DECD), within available resources, to create and maintain a data registry that tracks small businesses in the state that are owned and controlled by veterans and by service-disabled veterans (those with service-connected disabilities). The registry must include (1) the name of the veteran or veterans who own the business; (2) the location of the business; and (3) the type of business. DECD must request this information from the U.S. Department of Veterans Affairs and any other appropriate state or federal agencies annually.

The bill also requires the department to report annually to the Veterans' Affairs Committee on the number of these businesses.

EFFECTIVE DATE: Upon passage

VETERAN-OWNED SMALL BUSINESSES IN CONNECTICUT

Under the bill, a "small business concern," generally, is independently owned and operated, and is not dominant in its field of operation. Such a business is "owned and controlled by veterans" if (1) more than 50% of the business, or 50% of the public stock in the business, is owned by a veteran, and (2) one or more veterans manages and operates the business on a daily basis.

A small business is "owned and controlled by service-disabled veterans" if (1) more than 50% of the business, or 50% of the public stock in the business, is owned by a veteran with a service-connected disability, and (2) the business is managed and operated on a daily basis by at least one veteran with service-connected disabilities, or, if

such veteran is permanently or severely disabled, by their spouse or permanent caregiver. A “veteran” means a person who served in the active military, naval, or air service, and who was discharged or released under conditions other than dishonorable. A “service-connected disability” was incurred or aggravated in the line of duty in active military, naval, or air service.

Under the bill, the registry must track only those businesses whose principal place of business is Connecticut.

COMMITTEE ACTION

Veterans' Affairs Committee

Joint Favorable Substitute Change of Reference
Yea 13 Nay 0 (03/07/2013)

Commerce Committee

Joint Favorable
Yea 19 Nay 0 (03/19/2013)