



General Assembly

February Session, 2016

Committee Bill No. 2

LCO No. 1489



Referred to Committee on VETERANS' AFFAIRS

Introduced by:
(VA)

AN ACT SUPPORTING VETERAN-OWNED SMALL BUSINESSES.

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

1 Section 1. Subsection (c) of section 4a-59 of the 2016 supplement to
2 the general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective October 1, 2016*):

4 (c) All open market orders or contracts shall be awarded to (1) the
5 lowest responsible qualified bidder, the qualities of the articles to be
6 supplied, their conformity with the specifications, their suitability to
7 the requirements of the state government and the delivery terms being
8 taken into consideration and, at the discretion of the Commissioner of
9 Administrative Services, life-cycle costs and trade-in or resale value of
10 the articles may be considered where it appears to be in the best
11 interest of the state, (2) the highest scoring bidder in a multiple criteria
12 bid, in accordance with the criteria set forth in the bid solicitation for
13 the contract, or (3) the proposer whose proposal is deemed by the
14 awarding authority to be the most advantageous to the state, in
15 accordance with the criteria set forth in the request for proposals,
16 including price and evaluation factors. Notwithstanding any provision

17 of the general statutes to the contrary, each state agency awarding a
18 contract through competitive negotiation shall include price as an
19 explicit factor in the criteria in the request for proposals and for the
20 contract award. In considering past performance of a bidder for the
21 purpose of determining the "lowest responsible qualified bidder" or
22 the "highest scoring bidder in a multiple criteria bid", the
23 commissioner shall evaluate the skill, ability and integrity of the
24 bidder in terms of the bidder's fulfillment of past contract obligations
25 and the bidder's experience or lack of experience in delivering
26 supplies, materials, equipment or contractual services of the size or
27 amount for which bids have been solicited. In determining the lowest
28 responsible qualified bidder for the purposes of this section, the
29 commissioner may give a price preference of up to ten per cent for (A)
30 the purchase of goods made with recycled materials or the purchase of
31 recyclable or remanufactured products if the commissioner determines
32 that such preference would promote recycling or remanufacturing. As
33 used in this subsection, "recyclable" means able to be collected,
34 separated or otherwise recovered from the solid waste stream for
35 reuse, or for use in the manufacture or assembly of another package or
36 product, by means of a recycling program which is reasonably
37 available to at least seventy-five per cent of the state's population,
38 "remanufactured" means restored to its original function and thereby
39 diverted from the solid waste stream by retaining the bulk of
40 components that have been used at least once and by replacing
41 consumable components and "remanufacturing" means any process by
42 which a product is remanufactured; (B) the purchase of motor vehicles
43 powered by a clean alternative fuel; (C) the purchase of motor vehicles
44 powered by fuel other than a clean alternative fuel and conversion
45 equipment to convert such motor vehicles allowing the vehicles to be
46 powered by either the exclusive use of clean alternative fuel or dual
47 use of a clean alternative fuel and a fuel other than a clean alternative
48 fuel. As used in this subsection, "clean alternative fuel" means natural
49 gas, electricity, hydrogen or propane when used as a motor vehicle
50 fuel; or (D) the purchase of goods or services from [micro businesses] a

51 micro business, except that, in the case of a veteran-owned micro
52 business, the commissioner may give a price preference up to fifteen
53 per cent. As used in this subsection, "micro business" means a business
54 with gross revenues not exceeding three million dollars in the most
55 recently completed fiscal year. As used in this subsection, "veteran-
56 owned micro business" means a micro business of which at least fifty-
57 one per cent of the ownership is held by one or more veterans, as
58 defined in subsection (a) of section 27-103. All other factors being
59 equal, preference shall be given to supplies, materials and equipment
60 produced, assembled or manufactured in the state and services
61 originating and provided in the state. Except with regard to contracts
62 that may be paid for with United States Department of Transportation
63 funds, if any such bidder refuses to accept, within ten days, a contract
64 awarded to such bidder, such contract may be awarded to the next
65 lowest responsible qualified bidder or the next highest scoring bidder
66 in a multiple criteria bid, whichever is applicable, and so on until such
67 contract is awarded and accepted. Except with regard to contracts that
68 may be paid for with United States Department of Transportation
69 funds, if any such proposer refuses to accept, within ten days, a
70 contract awarded to such proposer, such contract shall be awarded to
71 the next most advantageous proposer, and so on until the contract is
72 awarded and accepted. There shall be a written evaluation made of
73 each bid. This evaluation shall identify the vendors and their
74 respective costs and prices, document the reason why any vendor is
75 deemed to be nonresponsive and recommend a vendor for award. A
76 contract valued at one million dollars or more shall be awarded to a
77 bidder other than the lowest responsible qualified bidder or the
78 highest scoring bidder in a multiple criteria bid, whichever is
79 applicable, only with written approval signed by the Commissioner of
80 Administrative Services and by the Comptroller. The commissioner
81 shall post on the department's Internet web site all awards made
82 pursuant to the provisions of this section.

83 Sec. 2. Subsections (a) and (b) of section 12-284b of the general
84 statutes are repealed and the following is substituted in lieu thereof

85 (Effective October 1, 2016):

86 (a) As used in this section:

87 (1) "S corporation" means any corporation which is an S corporation
88 for federal income tax purposes and which is either (A) a domestic S
89 corporation, or (B) a foreign S corporation that is required to obtain a
90 certificate of authority from the Secretary of the State before
91 transacting business in this state, whether or not it has obtained such a
92 certificate;

93 (2) "Limited liability company" means any limited liability company
94 which is, for federal income tax purposes, either treated as a
95 partnership, if it has two or more members, or disregarded as an entity
96 separate from its owner, if it has a single member, and which is either
97 (A) a domestic limited liability company, or (B) a foreign limited
98 liability company that is required to register with the Secretary of the
99 State before transacting business in this state, whether or not it has so
100 registered;

101 (3) "Limited liability partnership" means any limited liability
102 partnership which is either (A) a domestic limited liability partnership,
103 or (B) a foreign limited liability partnership that is required to file a
104 certificate of authority with the Secretary of the State before transacting
105 business in this state, whether or not it has filed such certificate;

106 (4) "Limited partnership" means any limited partnership which is
107 either (A) a domestic limited partnership, or (B) a foreign limited
108 partnership that is required under chapter 610 to register with the
109 Secretary of the State before transacting business in this state, whether
110 or not it has so registered;

111 (5) "Taxable year" means taxable year, for federal income tax
112 purposes;

113 (6) "Affected business entity" means any S corporation, limited
114 liability company, limited liability partnership or limited partnership;

115 (7) "Domestic S corporation", "domestic limited liability company",
116 "domestic limited liability partnership" or "domestic limited
117 partnership" means any such corporation, company or partnership that
118 is formed under the laws of this state; and

119 (8) "Foreign S corporation", "foreign limited liability company",
120 "foreign limited liability partnership" or "foreign limited partnership"
121 means any such corporation, company or partnership that is not a
122 domestic corporation, company or partnership.

123 (9) "Veteran-owned business" means any business of which at least
124 fifty-one per cent of the ownership is held by one or more veterans, as
125 defined in subsection (a) of section 27-103.

126 (b) Each limited liability company, limited liability partnership,
127 limited partnership and S corporation shall be liable for the tax
128 imposed by this section for each taxable year or portion thereof that
129 such company, partnership or corporation is an affected business
130 entity, except that any veteran-owned business established on or after
131 July 1, 2016, shall not be liable for such tax for the first taxable year
132 after such establishment. For taxable years commencing prior to
133 January 1, 2013, each affected business entity shall annually, on or
134 before the fifteenth day of the fourth month following the close of its
135 taxable year, pay to the Commissioner of Revenue Services a tax in the
136 amount of two hundred fifty dollars. For taxable years commencing on
137 or after January 1, 2013, each affected business entity shall, on or before
138 the fifteenth day of the fourth month following the close of every other
139 taxable year, pay to the Commissioner of Revenue Services a tax in the
140 amount of two hundred fifty dollars.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2016</i>	4a-59(c)
Sec. 2	<i>October 1, 2016</i>	12-284b(a) and (b)

Statement of Purpose:

To support veteran-owned small businesses.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

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SEN. DOYLE, 9th Dist.; SEN. LARSON, 3rd Dist.
SEN. LEONE, 27th Dist.; SEN. SLOSSBERG, 14th Dist.
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SEN. MAYNARD, 18th Dist.; REP. ZONI, 81st Dist.

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