

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2007

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SENATE BILL 320  
Commerce, Small Business and Entrepreneurship Committee Substitute Adopted  
4/30/07  
House Committee Substitute Favorable 7/26/07

Short Title: Statewide Certification of HUBs.

(Public)

Sponsors:

Referred to:

February 26, 2007

A BILL TO BE ENTITLED

AN ACT AUTHORIZING THE SECRETARY OF ADMINISTRATION TO DEVELOP AND ADMINISTER A STATEWIDE UNIFORM CERTIFICATION PROGRAM FOR HISTORICALLY UNDERUTILIZED BUSINESSES DOING BUSINESS WITH STATE DEPARTMENTS, AGENCIES, AND INSTITUTIONS, AND POLITICAL SUBDIVISIONS OF THE STATE.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 143-48(d1) is repealed.

**SECTION 2.** Article 3 of Chapter 143 of the General Statutes is amended by adding the following new section to read:

**§ 143-48.4. Statewide uniform certification of historically underutilized businesses.**

(a) In addition to the powers and duties provided in G.S. 143-49, the Secretary of Administration shall have the power, authority, and duty to:

(1) Develop and administer a statewide uniform program for: (i) the certification of a historically underutilized business, as defined in G.S. 143-128.4, for use by State departments, agencies, and institutions, and political subdivisions of the State; and (ii) the creation and maintenance of a database of the businesses certified as historically underutilized businesses.

(2) Adopt rules and procedures for statewide uniform certification of historically underutilized businesses.

(3) Provide for the certification of all businesses designated as historically underutilized businesses to be used by State departments, agencies, and institutions, and political subdivisions of the State.

(b) The Secretary of Administration shall seek input from State departments, agencies, and institutions, political subdivisions of the State, and any other entity

1 deemed appropriate to determine the qualifications and criteria for statewide uniform  
2 certification of historically underutilized businesses.

3 (c) All State departments, agencies, and institutions, and political subdivisions of  
4 the State shall only use historically underutilized businesses listed in the database  
5 created in accordance with this section for minority business purposes."

6 **SECTION 3.** G.S. 143-128.3(e1) is repealed.

7 **SECTION 4.** G.S. 143-128.4 reads as rewritten:

8 "**§ 143-128.4. Historically underutilized business ~~defined~~defined; statewide**  
9 **uniform certification.**

10 (a) As used in this Chapter, the term "historically underutilized business" means  
11 a business that meets all of the following conditions:

12 (1) At least fifty-one percent (51%) of the business is owned by one or  
13 more persons who are members of at least one of the groups set forth  
14 in subsection (b) of this section, or in the case of a corporation, at least  
15 fifty-one percent (51%) of the stock is owned by one or more persons  
16 who are members of at least one of the groups set forth in subsection  
17 (b) of this section.

18 (2) The management and daily business operations are controlled by one  
19 or more owners of the business who are members of at least one of the  
20 groups set forth in subsection (b) of this section.

21 (a1) As used in this Chapter, the term "minority business" means a historically  
22 underutilized business.

23 (b) To qualify as a historically underutilized business under this section, a  
24 business must be owned and controlled as set forth in subsection (a) of this section by  
25 one or more citizens or lawful permanent residents of the United States who are  
26 members of one or more of the following groups:

27 (1) Black. – A person having origins in any of the black racial groups of  
28 Africa.

29 (2) Hispanic. – A person of Spanish or Portuguese culture having origins  
30 in Mexico, South or Central America, or the Caribbean islands,  
31 regardless of race.

32 (3) Asian American. – A person having origins in any of the original  
33 peoples of the Far East, Southeast Asia, Asia, Indian continent, or  
34 Pacific islands.

35 (4) American Indian. – A person having origins in any of the original  
36 Indian peoples of North America.

37 (5) Female.

38 (6) Disabled. – A person with a disability as defined in G.S. 168-1 or  
39 G.S. 168A-3.

40 (7) Disadvantaged. – A person who is socially and economically  
41 disadvantaged as defined in 15 U.S.C. § 637.

42 (c) In addition to the powers and duties provided in G.S. 143-49, the Secretary of  
43 Administration shall have the power, authority, and duty to:

1           (1)    Develop and administer a statewide uniform program for: (i) the  
2                   certification of a historically underutilized business, as defined in this  
3                   section, for use by State departments, agencies, and institutions, and  
4                   political subdivisions of the State; and (ii) the creation and  
5                   maintenance of a database of the businesses certified as historically  
6                   underutilized businesses.

7           (2)    Adopt rules and procedures for the statewide uniform certification of  
8                   historically underutilized businesses.

9           (3)    Provide for the certification of all businesses designated as historically  
10                   underutilized businesses to be used by State departments, agencies,  
11                   and institutions, and political subdivisions of the State.

12        (d)    The Secretary of Administration shall seek input from State departments,  
13                   agencies, and institutions, political subdivisions of the State, and any other entity  
14                   deemed appropriate to determine the qualifications and criteria for statewide uniform  
15                   certification of historically underutilized businesses.

16        (e)    All State departments, agencies, and institutions, and political subdivisions of  
17                   the State shall only use historically underutilized businesses listed in the database  
18                   created in accordance with this section for minority business purposes."

19           **SECTION 5.** Except as otherwise provided in this section, this act becomes  
20 effective October 1, 2007. The Secretary of Administration shall develop a statewide  
21 uniform program and criteria for statewide uniform certification of historically  
22 underutilized businesses as provided in G.S. 143-48.4(a)(1) and (2), as enacted by  
23 Section 2 of this act, and G.S. 143-128.4(c)(1) and (2), as enacted by Section 4 of this  
24 act, no later than March 31, 2008. G.S. 143-48.4(c), as enacted by Section 2 of this act,  
25 and G.S. 143-128.4(e), as enacted by Section 4 of this act, become effective July 1,  
26 2009.