

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 954
Committee Substitute Favorable 6/12/19

Short Title: Qualified Disabled Veteran Preference.

(Public)

Sponsors:

Referred to:

April 26, 2019

1 A BILL TO BE ENTITLED
2 AN ACT PROVIDING A PREFERENCE FOR CERTAIN QUALIFIED DISABLED
3 VETERAN BUSINESSES BIDDING ON STATE CONSTRUCTION OR REPAIR
4 CONTRACTS, AND APPROPRIATING FUNDS TO IMPLEMENT THE PREFERENCE.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. Article 8 of Chapter 143 of the General Statutes is amended by adding
7 a new section to read as follows:

8 "**§ 143-128.5. Preference for qualified disabled veteran businesses.**

9 (a) Definitions. – For purposes of this section, the following definitions apply:

10 (1) Qualified disabled veteran. – A veteran with a disability rating of sixty percent
11 (60%) or higher, for a service-connected disability.

12 (2) Qualified disabled veteran-owned business. – A business that is one hundred
13 percent (100%) owned by one or more qualified disabled veterans; provided,
14 however, a spouse of a qualified disabled veteran business owner may have
15 an ownership interest in that business, as long as the ownership interest of the
16 qualified disabled veterans is no less than fifty percent (50%).

17 (3) Service-connected disability. – A disability incurred in the line of duty in
18 active military, naval, or air service.

19 (4) Veteran. – As defined in G.S. 128-15(b)(2).

20 (b) Statement of Preference. – It is the policy of this State to encourage and promote the
21 use of qualified disabled veteran-owned businesses in State construction or repair contracts
22 requiring an expenditure of public money, while maintaining the lowest cost to the State. All
23 State agencies, departments, and institutions shall cooperate with the Department of
24 Administration in implementing this policy by giving a preference, as provided in subsection (c)
25 of this section, to qualified disabled veteran-owned businesses.

26 (c) Preference Implementation. – A qualified disabled veteran-owned business that
27 submits a bid for a State construction or repair contract that is within ten percent (10%) of the
28 lowest responsible, responsive bid shall be afforded the opportunity to match the lowest
29 responsible, responsive bid unless the lowest responsible, responsive bid was made by a qualified
30 disabled veteran-owned business. If the qualified disabled veteran-owned business agrees to
31 match the lowest responsible, responsive bid, the contract shall be awarded to that qualified
32 disabled veteran-owned business, notwithstanding G.S. 143-129 or G.S. 143-131. If there is
33 more than one qualified disabled veteran-owned business eligible for the preference, the qualified
34 disabled veteran-owned business that submitted the lowest responsible, responsive bid shall be
35 awarded the contract. Provided, however, that in giving such preference no sacrifice or loss in
36 price or quality shall be permitted.



1 (d) Eligibility Determination. – In order to be considered for the preference, the qualified
2 disabled veteran-owned business must be a responsible, responsive bidder. Additionally, each
3 qualified disabled veteran-owned business shall include in its bid all of the following:

4 (1) Proof of service and conditions of discharge in the form of a DD Form 214
5 and Department of Veterans Affairs claim decision letter.

6 (2) Proof of a service-connected disability in the form of a DD Form 214, if the
7 disability was documented at the time of discharge, or a Department of
8 Veterans Affairs rating decision letter, if the disability was documented after
9 discharge.

10 (3) Proof of legal ownership of the business, and proof that the business is
11 properly registered with the North Carolina Secretary of State's Office.

12 (e) Missing Documentation. – A bid that fails to include the documentation required
13 under subsection (d) of this section may be eligible for consideration for the contract but will not
14 be eligible for the preference authorized under this section.

15 (f) Loss of Preference Qualification. – If a qualified disabled veteran-owned business
16 awarded a contract under this section fails to maintain the status of a qualified disabled
17 veteran-owned business, the contract shall continue to be performed; however, that business will
18 not be eligible to apply for the preference in the future."

19 **SECTION 2.** There is appropriated from the General Fund to the Department of
20 Administration, State Construction Office, the sum of ten thousand dollars (\$10,000) in
21 nonrecurring funds for the 2019-2020 fiscal year to implement the provisions of this act.

22 **SECTION 3.** This act becomes effective October 1, 2019, and applies to State
23 construction or repair contract bids submitted on or after that date.