

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10569-LMa-105

Short Title: Qualified Disabled Veteran/10% Preference. (Public)

Sponsors: Representatives Jarvis, Horn, and Potts (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT PROVIDING THAT QUALIFIED DISABLED VETERAN BUSINESSES SHALL
3 BE GIVEN A TEN PERCENT PREFERENCE WHEN BIDDING ON STATE
4 CONSTRUCTION OR REPAIR CONTRACTS AND APPROPRIATING FUNDS TO
5 IMPLEMENT THE PREFERENCE.

6 The General Assembly of North Carolina enacts:

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

9 **"§ 143-128.5. Preference for qualified disabled veteran businesses.**

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

11 (1) Qualified disabled veteran. – A veteran with a service-connected disability.

12 (2) Qualified disabled veteran business. – A business that is fifty-one percent
13 (51%) or more owned by one or more qualified disabled veterans.

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

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

17 (b) Policy; Preference Stated. – It is the policy of this State to encourage and promote the
18 use of qualified disabled veteran owned businesses in State construction or repair contracts
19 requiring an expenditure of public money. All State agencies, departments, and institutions shall
20 cooperate with the Department of Administration in implementing this policy by giving a ten
21 percent (10%) preference, as provided in subsection (c) of this section, to qualified disabled
22 veteran businesses.

23 (c) Preference Implementation. – The ten percent (10%) preference authorized in
24 subsection (b) of this section shall be given to each qualified disabled veteran business bidding
25 on a contract to be let by the governing body of a State agency, department, or institution. The
26 preference shall be calculated by deducting ten percent (10%) of the lowest responsible,
27 responsive bid of all bids submitted from the bid of each qualified disabled veteran business. If,
28 with the preference, the bid of a qualified disabled veteran business is the lowest responsible,
29 responsive bid, the contract shall be awarded to that qualified disabled veteran business. If, with
30 the preference, the bid of a qualified disabled veteran business is not the lowest responsible,
31 responsive bid, the contract shall be awarded to the lowest responsible, responsive bid. For
32 purposes of determining eligibility for the preference, each qualified disabled veteran business
33 shall include in its sealed bid all of the following:

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



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

5 (3) Proof of legal ownership of the business, and proof that the business has its
6 principal place of business in this State.

7 (d) Loss of Preference. – If, during the term of the contract, a business awarded a
8 preference under this section no longer meets the definition of a qualified disabled veteran
9 business, as defined in subdivision (2) of subsection (a) of this section, the contract price shall
10 be discounted by the amount of the preference granted.

11 (e) Bidder Notification. – When the Secretary or the governing body of a State agency,
12 department, or institution puts a contract up for competitive bidding, they shall endeavor to
13 provide notice to all qualified disabled veteran business bidders who have expressed an interest
14 in bidding on contracts of that nature. Notice under this section may be given by electronic means
15 only."

16 **SECTION 2.** There is appropriated from the General Fund to the Department of
17 Administration, Purchase and Contract Division, the sum of twenty-five thousand dollars
18 (\$25,000) in nonrecurring funds for the 2019-2020 fiscal year to implement the provisions of this
19 act.

20 **SECTION 3.** This act becomes effective October 1, 2019, and applies to construction
21 or repair contracts submitted on or after that date.