

HOUSE BILL No. 1081

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-13-16.5; IC 4-13.6-2-12; IC 4-30-1-2; IC 4-33-14-4; IC 4-35-11-5; IC 5-1.2-5-8; IC 5-22; IC 5-28-20-8; IC 6-3.1-29-13; IC 8-25-4-7.

Synopsis: Commission for supplier diversity. Changes the name of the governor's commission on minority and women's business enterprises to the governor's commission on supplier diversity (commission). Relocates provisions concerning small businesses owned and operated by Indiana veterans to the commission's statutes. Makes conforming changes.

Effective: July 1, 2020.

Gutwein

January 7, 2020, read first time and referred to Committee on Government and Regulatory Reform.



Second Regular Session of the 121st General Assembly (2020)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2019 Regular Session of the General Assembly.

HOUSE BILL No. 1081

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-13-16.5-1, AS AMENDED BY P.L.114-2010,
2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2020]: Sec. 1. (a) The definitions in this section apply
4 throughout this chapter.

5 (b) "Commission" refers to the governor's commission on ~~minority~~
6 ~~and women's business enterprises~~ **supplier diversity** established under
7 section 2 of this chapter.

8 (c) "Commissioner" refers to the ~~deputy~~ commissioner for ~~minority~~
9 ~~and women's business enterprises~~ of the department.

10 (d) "Contract" means any contract awarded by a state agency or, as
11 set forth in section 2(f)(11) of this chapter, awarded by a recipient of
12 state grant funds, for construction projects or the procurement of goods
13 or services, including professional services. For purposes of this
14 subsection, "goods or services" may not include the following when
15 determining the total value of contracts for state agencies:

- 16 (1) Utilities.
- 17 (2) Health care services (as defined in IC 27-8-11-1(c)).



- 1 (3) Rent paid for real property or payments constituting the price
 2 of an interest in real property as a result of a real estate
 3 transaction.
- 4 (e) "Contractor" means a person or entity that:
 5 (1) contracts with a state agency; or
 6 (2) as set forth in section 2(f)(11) of this chapter:
 7 (A) is a recipient of state grant funds; and
 8 (B) enters into a contract:
 9 (i) with a person or entity other than a state agency; and
 10 (ii) that is paid for in whole or in part with the state grant
 11 funds.
- 12 (f) "Department" refers to the Indiana department of administration
 13 established by IC 4-13-1-2.
- 14 **(g) "Deputy commissioner" refers to the deputy commissioner**
 15 **for supplier diversity of the department.**
- 16 ~~(g)~~ **(h)** "Minority business enterprise" or "minority business" means
 17 an individual, partnership, corporation, limited liability company, or
 18 joint venture of any kind that is owned and controlled by one (1) or
 19 more persons who are:
 20 (1) United States citizens; and
 21 (2) members of a minority group or a qualified minority nonprofit
 22 corporation.
- 23 **(i) "NGB-22" means the National Guard Report of Separation**
 24 **form or its predecessor or successor form.**
- 25 ~~(h)~~ **(j)** "Qualified minority or women's nonprofit corporation" means
 26 a corporation that:
 27 (1) is exempt from federal income taxation under Section
 28 501(c)(3) of the Internal Revenue Code;
 29 (2) is headquartered in Indiana;
 30 (3) has been in continuous existence for at least five (5) years;
 31 (4) has a board of directors that has been in compliance with all
 32 other requirements of this chapter for at least five (5) years;
 33 (5) is chartered for the benefit of the minority community or
 34 women; and
 35 (6) provides a service that will not impede competition among
 36 minority business enterprises or women's business enterprises at
 37 the time a nonprofit applies for certification as a minority
 38 business enterprise or a women's business enterprise.
- 39 ~~(i)~~ **(k)** "Owned and controlled" means:
 40 (1) if the business is a qualified minority nonprofit corporation, a
 41 majority of the board of directors are minority;
 42 (2) if the business is a qualified women's nonprofit corporation,



1 a majority of the members of the board of directors are women; or
 2 (3) if the business is a business other than a qualified minority or
 3 women's nonprofit corporation, having:

- 4 (A) ownership of at least fifty-one percent (51%) of the
 5 enterprise, including corporate stock of a corporation;
 6 (B) control over the management and active in the day-to-day
 7 operations of the business; and
 8 (C) an interest in the capital, assets, and profits and losses of
 9 the business proportionate to the percentage of ownership.

10 ~~(j)~~ (l) "Minority group" means:

- 11 (1) ~~Blacks; African Americans;~~
 12 (2) ~~American Indians; Native Americans;~~
 13 (3) ~~Hispanics; Hispanic Americans;~~ and
 14 (4) Asian Americans.

15 ~~(k)~~ (m) "Separate body corporate and politic" refers to an entity
 16 established by the general assembly as a body corporate and politic.

17 ~~(l)~~ (n) "State agency" refers to any authority, board, branch,
 18 commission, committee, department, division, or other instrumentality
 19 of the executive, including the administrative, department of state
 20 government.

21 (o) "Veteran" means an individual who:

22 (1) has previously:

- 23 (A) served on active duty in any branch of the armed
 24 forces of the United States or their reserves, in the national
 25 guard, or in the Indiana National Guard; and
 26 (B) received an honorable discharge from service; or

27 (2) is currently serving in:

- 28 (A) any branch of the armed forces of the United States or
 29 their reserves;
 30 (B) the national guard; or
 31 (C) the Indiana National Guard.

32 (p) "Veteran owned small business" refers to a small business
 33 that:

- 34 (1) is independently owned and operated;
 35 (2) is not dominant in its field of operation; and
 36 (3) satisfies the criteria to be a veteran owned small business
 37 concern as specified in section 1.5 of this chapter.

38 (q) "Women's business enterprise" means a business that is one
 39 (1) of the following:

- 40 (1) A sole proprietorship owned and controlled by a woman.
 41 (2) A partnership or joint venture owned and controlled by
 42 women in which:



- 1 (A) at least fifty-one percent (51%) of the ownership is
 2 held by women; and
 3 (B) the management and daily business operations are
 4 controlled by at least one (1) of the women who owns the
 5 business.
- 6 (3) A corporation or other entity:
 7 (A) whose management and daily business operations are
 8 controlled by at least one (1) of the women who owns the
 9 business; and
 10 (B) that is at least fifty-one percent (51%) owned by
 11 women, or if stock is issued, at least fifty-one percent
 12 (51%) of the stock is owned by at least one (1) of the
 13 women.

14 (4) A qualified women's nonprofit corporation.

15 SECTION 2. IC 4-13-16.5-1.3 IS REPEALED [EFFECTIVE JULY
 16 1, 2020]. Sec. 1.3. As used in this chapter, "women's business
 17 enterprise" means a business that is one (1) of the following:

- 18 (1) A sole proprietorship owned and controlled by a woman.
 19 (2) A partnership or joint venture owned and controlled by
 20 women in which:
 21 (A) at least fifty-one percent (51%) of the ownership is held by
 22 women; and
 23 (B) the management and daily business operations are
 24 controlled by at least one (1) of the women who owns the
 25 business.
- 26 (3) A corporation or other entity:
 27 (A) whose management and daily business operations are
 28 controlled by at least one (1) of the women who owns the
 29 business; and
 30 (B) that is at least fifty-one percent (51%) owned by women;
 31 or if stock is issued, at least fifty-one percent (51%) of the
 32 stock is owned by at least one (1) of the women.
- 33 (4) A qualified women's nonprofit corporation as defined in
 34 section 1(h) of this chapter.

35 SECTION 3. IC 4-13-16.5-1.5 IS ADDED TO THE INDIANA
 36 CODE AS A NEW SECTION TO READ AS FOLLOWS
 37 [EFFECTIVE JULY 1, 2020]: **Sec. 1.5. (a) A business qualifies as a**
 38 **small business for purposes of this section if the business is an**
 39 **Indiana small business concern owned and controlled by veterans,**
 40 **as defined in 15 U.S.C. 632(q)(3) as in effect January 1, 2013, or is**
 41 **an Indiana small business owned and operated by veterans and the**
 42 **business:**



- 1 **(1) has:**
 2 **(A) a current verification as a veteran owned small**
 3 **business concern under 38 CFR 74, et seq., by the Center**
 4 **of Veterans Enterprise of the United States Department of**
 5 **Veterans Affairs; or**
 6 **(B) a current certification as a veteran owned small**
 7 **business by the department;**
 8 **(2) is owned and controlled by one (1) or more veterans or, in**
 9 **the case of a corporation, has at least fifty-one percent (51%)**
 10 **of the corporation's stock owned by one (1) or more veterans;**
 11 **and**
 12 **(3) has its principal place of business located in Indiana.**
 13 **(b) The Indiana economic development corporation may assist**
 14 **the department in doing any of the following:**
 15 **(1) Compiling and maintaining a comprehensive list of**
 16 **veteran owned small businesses.**
 17 **(2) Assisting veteran owned small businesses in complying**
 18 **with the procedures for bidding on state contracts.**
 19 **(3) Examining requests from the department for the purchase**
 20 **of supplies or services to help determine which purchases may**
 21 **be consistent with the goal described in section 3.5 of this**
 22 **chapter.**
 23 **(4) Simplifying specifications and contract terms to increase**
 24 **the opportunities for veteran owned small businesses to**
 25 **participate in state contracts.**
 26 **(c) The Indiana economic development corporation, in**
 27 **consultation with the department, may develop programs to**
 28 **encourage cities, counties, towns, townships, and private businesses**
 29 **to adopt the goal for contracts with veteran owned small businesses**
 30 **described in section 3.5 of this chapter.**
 31 **(d) For purposes of this chapter, information submitted by an**
 32 **applicant for certification as a veteran owned small business that**
 33 **contains:**
 34 **(1) personal financial information; or**
 35 **(2) confidential business information;**
 36 **is confidential.**
 37 **(e) For purposes of this chapter, the following forms submitted**
 38 **by an applicant for certification as a veteran owned small business**
 39 **are confidential:**
 40 **(1) DD 214 (as defined in IC 10-17-15-1).**
 41 **(2) NGB-22.**
 42 **(3) All forms submitted to verify current military or naval**



1 **service status.**

2 SECTION 4. IC 4-13-16.5-2, AS AMENDED BY P.L.114-2010,
3 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2020]: Sec. 2. (a) There is established a governor's
5 commission on ~~minority and women's business enterprises~~. **supplier**
6 **diversity**. The commission shall consist of the following members:

7 (1) A governor's designee, who shall serve as chairman of the
8 commission.

9 (2) The commissioner of the Indiana department of transportation,
10 or the economic opportunity director of the Indiana department of
11 transportation if the commissioner of the Indiana department of
12 transportation so designates.

13 (3) The chairperson of the board of the Indiana economic
14 development corporation or the chairperson's designee.

15 (4) The commissioner. ~~of the department.~~

16 (5) Nine (9) individuals with demonstrated capabilities in
17 business and industry, especially minority **business enterprises**,
18 ~~and~~ women's business enterprises, **and veteran owned small**
19 **businesses**, appointed by the governor from the following
20 geographical areas of the state:

21 (A) Three (3) from the northern one-third (1/3) of the state.

22 (B) Three (3) from the central one-third (1/3) of the state.

23 (C) Three (3) from the southern one-third (1/3) of the state.

24 (6) Two (2) members of the house of representatives, no more
25 than one (1) from the same political party, appointed by the
26 speaker of the house of representatives to serve in a nonvoting
27 advisory capacity.

28 (7) Two (2) members of the senate, no more than one (1) from the
29 same political party, appointed by the president pro tempore of
30 the senate to serve in a nonvoting advisory capacity.

31 **(8) The deputy commissioner, who shall serve as a nonvoting**
32 **member.**

33 Not more than six (6) of the ten (10) members appointed or designated
34 by the governor may be of the same political party. Appointed members
35 of the commission shall serve four (4) year terms. A vacancy occurs if
36 a legislative member leaves office for any reason. Any vacancy on the
37 commission shall be filled in the same manner as the original
38 appointment.

39 (b) Each member of the commission who is not a state employee is
40 entitled to the following:

41 (1) The minimum salary per diem provided by IC 4-10-11-2.1(b).

42 (2) Reimbursement for traveling expenses and other expenses



1 actually incurred in connection with the member's duties as
 2 provided under IC 4-13-1-4 and in the state travel policies and
 3 procedures established by the Indiana department of
 4 administration and approved by the budget agency.

5 (c) Each legislative member of the commission is entitled to receive
 6 the same per diem, mileage, and travel allowances established by the
 7 legislative council and paid to members of the general assembly
 8 serving on interim study committees. The allowances specified in this
 9 subsection shall be paid by the legislative services agency from the
 10 amounts appropriated for that purpose.

11 (d) A member of the commission who is a state employee but who
 12 is not a member of the general assembly is not entitled to any of the
 13 following:

- 14 (1) The minimum salary per diem provided by IC 4-10-11-2.1(b).
- 15 (2) Reimbursement for traveling expenses as provided under
 16 IC 4-13-1-4.
- 17 (3) Other expenses actually incurred in connection with the
 18 member's duties.

19 (e) The commission shall meet at least four (4) times each year and
 20 at other times as the chairman considers necessary.

21 (f) The duties of the commission shall include but not be limited to
 22 the following:

- 23 (1) Identify minority **business enterprises, and women's business**
 24 **enterprises, and veteran owned small businesses business**
 25 **enterprises** in the state.
- 26 (2) Assess the needs of minority **business enterprises, and**
 27 **women's business enterprises, and veteran owned small**
 28 **businesses. business enterprises.**
- 29 (3) Initiate aggressive programs to assist minority **business**
 30 **enterprises, and women's business enterprises, and veteran**
 31 **owned small businesses business enterprises** in obtaining state
 32 contracts.
- 33 (4) Give special publicity to procurement, bidding, and qualifying
 34 procedures.
- 35 (5) Include minority **business enterprises, and women's business**
 36 **enterprises, and veteran owned small businesses business**
 37 **enterprises** on solicitation mailing lists.
- 38 (6) Evaluate the competitive differences between qualified
 39 minority or women's nonprofit corporations and other than
 40 qualified minority or women's nonprofit corporations **and veteran**
 41 **owned small businesses** that offer similar services and make
 42 recommendation to the department on policy changes necessary



- 1 to ensure fair competition among minority **business enterprises**,
 2 women's **business enterprises**, and **veteran owned small**
 3 **businesses**. ~~business enterprises.~~
- 4 (7) Define the duties, goals, and objectives of the deputy
 5 commissioner of the department as created under this chapter to
 6 assure compliance by all state agencies, separate bodies corporate
 7 and politic, and state educational institutions with state and
 8 federal legislation and policy concerning the awarding of
 9 contracts (including, notwithstanding section 1(d) of this chapter
 10 or any other law, contracts of state educational institutions) to
 11 minority **business enterprises**, and women's **business**
 12 **enterprises**, and **veteran owned small businesses**. ~~business~~
 13 ~~enterprises.~~
- 14 (8) Establish annual goals:
- 15 (A) for the use of minority and women's business enterprises;
 16 and
 17 (B) derived from a statistical analysis of utilization study of
 18 state contracts (including, notwithstanding section 1(d) of this
 19 chapter or any other law, contracts of state educational
 20 institutions) that are required to be updated every five (5)
 21 years.
- 22 (9) Prepare a review of the commission and the various affected
 23 departments of government to be submitted to the governor and
 24 the legislative council on March 1 and October 1 of each year,
 25 evaluating progress made in the areas defined in this subsection.
- 26 (10) Ensure that the statistical analysis required under this
 27 section:
- 28 (A) is based on goals for participation of minority business
 29 enterprises established in *Richmond v. Croson*, 488 U.S. 469
 30 (1989);
 31 (B) includes information on both contracts and subcontracts
 32 (including, notwithstanding section 1(d) of this chapter or any
 33 other law, contracts and subcontracts of state educational
 34 institutions); and
 35 (C) uses data on the combined capacity of minority and
 36 women's businesses enterprises in Indiana and not just
 37 regional data.
- 38 (11) Establish annual goals for the use of minority and women's
 39 business enterprises for any contract that:
- 40 (A) will be paid for in whole or in part with state grant funds;
 41 and
 42 (B) involves the use of real property of a unit (as defined in



1 IC 4-4-32.2-9).

2 **(12) Ensure compliance with the establishment and evaluation**
 3 **of the annual goal for veteran owned small businesses**
 4 **established in section 3.5 of this chapter.**

5 (g) The department shall direct contractors to demonstrate a good
 6 faith effort to meet the annual participation goals established under
 7 subsection (f)(11). The good faith effort shall be demonstrated by
 8 contractors using the repository of certified firms created under section
 9 3 of this chapter or a similar repository maintained by a unit (as defined
 10 in IC 4-4-32.2-9).

11 (h) The department shall adopt rules of ethics under IC 4-22-2 for
 12 commission members other than commission members appointed
 13 under subsection (a)(6) or (a)(7).

14 (i) The department shall furnish administrative support and staff as
 15 is necessary for the effective operation of the commission.

16 (j) The commission shall advise the department on developing a
 17 statement, to be included in all applications for and agreements
 18 governing grants made with state funds, stating the importance of the
 19 use of minority **business enterprises, and women's business**
 20 **enterprises, and veteran owned small businesses business**
 21 **enterprises** in fulfilling the purposes of the grant.

22 SECTION 5. IC 4-13-16.5-3, AS AMENDED BY P.L.114-2010,
 23 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2020]: Sec. 3. (a) There is created in the department a deputy
 25 commissioner for **minority and women's business enterprise supplier**
 26 **diversity** development. Upon consultation with the commission, the
 27 commissioner of the department, with the approval of the governor,
 28 shall appoint an individual who possesses demonstrated capability in
 29 business or industry, especially in minority **business enterprises, or**
 30 **women's business enterprises, or veteran owned small businesses,**
 31 **business enterprises;** to serve as deputy commissioner to work with the
 32 commission in the implementation of this chapter.

33 (b) The deputy commissioner shall do the following:

34 (1) Identify and certify minority **business enterprises, and**
 35 **women's business enterprises, and veteran owned small**
 36 **businesses business enterprises** for state projects.

37 (2) Establish a central certification file.

38 (3) Periodically update the certification status of each minority
 39 **business enterprise, or women's business enterprise, or veteran**
 40 **owned small business. business enterprise.**

41 (4) Monitor the progress in achieving the goals established under
 42 section 2(f)(8) and 2(f)(11) of this chapter.



- 1 (5) Require all state agencies, separate bodies corporate and
- 2 politic, and state educational institutions to report on planned and
- 3 actual participation of minority **business enterprises, and**
- 4 **women's business enterprises, and veteran owned small**
- 5 **businesses business enterprises** in contracts awarded by state
- 6 agencies. The commissioner may exclude from the reports
- 7 uncertified minority **business enterprises, and women's business**
- 8 **enterprises, and veteran owned small businesses. business**
- 9 **enterprises.**
- 10 (6) Determine and define opportunities for minority, ~~and~~
- 11 ~~women's, and veteran owned~~ business participation in contracts
- 12 awarded by all state agencies, separate bodies corporate and
- 13 politic, and state educational institutions.
- 14 (7) Implement programs initiated by the commission under
- 15 section 2 of this chapter.
- 16 (8) Perform other duties as defined by the commission or by the
- 17 commissioner. ~~of the department.~~

18 SECTION 6. IC 4-13-16.5-3.5 IS ADDED TO THE INDIANA
 19 CODE AS A NEW SECTION TO READ AS FOLLOWS
 20 [EFFECTIVE JULY 1, 2020]: **Sec. 3.5. (a) The department shall**
 21 **adopt rules under IC 4-22-2 to do the following:**

- 22 (1) **Increase contracting opportunities for Indiana veteran**
- 23 **owned small businesses described in section 1.5 of this chapter**
- 24 **with a goal to procure in each state fiscal year at least three**
- 25 **percent (3%) of state contracts with Indiana veteran owned**
- 26 **small businesses.**
- 27 (2) **Develop procurement policies and procedures to**
- 28 **accomplish the goal described in subdivision (1), including**
- 29 **guidelines to be followed by the department in conducting the**
- 30 **department's procurement efforts.**
- 31 (3) **Implement section 1.5 of this chapter.**

32 **These procurement policies do not apply to a procurement of**
 33 **supplies and services to address immediate and serious government**
 34 **needs at a time of emergency, including a threat to the public**
 35 **health, welfare, or safety that may arise by reason of floods,**
 36 **epidemics, riots, acts of terrorism, major power failures, a threat**
 37 **proclaimed by the President of the United States or the governor,**
 38 **or a threat declared by the commissioner.**

39 (b) **The department shall annually evaluate its progress in**
 40 **meeting the goal described in this section for the previous state**
 41 **fiscal year. After June 30 and before November 1 of each year, the**
 42 **department shall submit a report to the governor, the Indiana**



1 department of veterans' affairs, and the interim study committee
 2 on public safety and military affairs established by IC 2-5-1.3-4
 3 and the legislative council in an electronic format under IC 5-14-6.

4 The report must include:

5 (1) the percentage goal obtained by the department during the
 6 previous state fiscal year; and

7 (2) a summary of why the department failed to meet the goal
 8 and what actions are being taken by the department to meet
 9 the goal in the current state fiscal year.

10 (c) The department shall post the report described in subsection
 11 (b) on the department's Internet web site not later than thirty (30)
 12 days after the report is submitted. The Indiana department of
 13 veterans' affairs shall post the report described in subsection (b) on
 14 the department's Internet web site not later than thirty (30) days
 15 after the report is submitted by the department.

16 SECTION 7. IC 4-13-16.5-8, AS ADDED BY P.L.228-2007,
 17 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2020]: Sec. 8. (a) This section applies to a contractor whose
 19 offer designated minority **business enterprises, businesses, or women's**
 20 **business enterprises, or veteran owned small businesses** ~~business~~
 21 ~~enterprises~~ to furnish any supplies or perform any work under the
 22 contract awarded to the contractor.

23 (b) As used in this section, "contract" refers to any of the following:

24 (1) A contract for the purchase of supplies by a state agency.

25 (2) A contract for the performance of services for a state agency.

26 (3) A public works contract (as defined in IC 4-13.6-1-14).

27 (4) A contract to perform professional services (as defined in
 28 IC 4-13.6-1-11) in connection with a public works contract.

29 (c) As used in this section, "contractor" refers to a person awarded
 30 a contract by a state agency.

31 (d) As used in this section, "offer" means a response to a
 32 solicitation. The term includes a bid, proposal, and quote.

33 (e) As used in this section, "solicitation" means the procedure by
 34 which a state agency invites persons to submit an offer to enter into a
 35 contract with the state agency. The term includes an invitation for bids,
 36 a request for proposals, and a request for quotes.

37 (f) Before beginning work on a contract, a contractor shall do the
 38 following:

39 (1) Notify in writing each minority business, ~~and~~ women's
 40 **business enterprise, and veteran owned small** business
 41 ~~enterprise~~ designated in the contractor's offer that the contractor
 42 has been awarded the contract.



- 1 (2) Give copies of each notification to the state agency that
 2 awarded the contract.
- 3 (g) If a contractor fails to comply with subsection (f), the awarding
 4 state agency may consider the failure a breach of contract and do any
 5 of the following:
- 6 (1) Cancel the contract.
 7 (2) Collect from the contractor all funds paid to the contractor
 8 under the contract.
 9 (3) Exercise any of the state's rights set out in the contract.
 10 (4) Use the failure as a basis for finding the contractor not
 11 responsible when awarding other contracts.
- 12 SECTION 8. IC 4-13.6-2-12, AS ADDED BY P.L.133-2007,
 13 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2020]: Sec. 12. The department shall offer instruction at least
 15 annually to:
- 16 (1) small businesses (as defined in IC 5-22-14-1);
 17 (2) minority business enterprises (as defined in IC 4-13-16.5-1);
 18 **and**
 19 (3) women's business enterprises (as defined in ~~IC 4-13-16.5-1.3~~;
 20 **IC 4-13-16.5-1**); **and**
 21 **(4) veteran owned small businesses (as defined in**
 22 **IC 4-13-16.5-1)**;
- 23 with regard to bonding requirements and working with the surety
 24 industry to secure bonding for public works projects.
- 25 SECTION 9. IC 4-30-1-2 IS AMENDED TO READ AS FOLLOWS
 26 [EFFECTIVE JULY 1, 2020]: Sec. 2. In construing this article, it is the
 27 intent of the general assembly that the following policies be carried out:
- 28 (1) That the lottery games be operated by the state lottery
 29 commission, which is created by IC 4-30-3 as a separate body
 30 politic and corporate from state government and should function
 31 as much as possible as an entrepreneurial business enterprise.
 32 (2) That the general assembly recognizes that the operation of a
 33 lottery is a unique activity for state government and that policies
 34 and procedures appropriate for the performance of other
 35 governmental functions are not necessarily appropriate for the
 36 operation of a lottery.
 37 (3) That the lottery games be operated as a self-supporting
 38 revenue raising operation.
 39 (4) That the commission be accountable to the general assembly
 40 and the people of Indiana through a system of audits and reports
 41 and by complying with financial disclosure, open meetings, and
 42 public record laws.



1 (5) That the commission ensure the equitable participation of
 2 minorities and women in all phases of the lottery, including
 3 instant game and on-line retailers and vendors. The commission
 4 shall establish annual goals:

5 (A) for the use of minority and women's business enterprises
 6 (as defined in IC 4-13-16.5-1) ~~and IC 4-13-16.5-1.3~~ in
 7 construction, professional services, other services, and
 8 supplies; and

9 (B) derived from a statistical analysis of utilization study of
 10 lottery contracts that are required to be updated every five (5)
 11 years.

12 The commission shall, in cooperation with the Indiana department
 13 of administration, adopt rules under IC 4-22-2 to ensure that the
 14 goals set under this subdivision are met.

15 (6) That lottery game advertising and promotion shall be
 16 consistent with the dignity and integrity of the state.

17 SECTION 10. IC 4-33-14-4 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 4. As used in this
 19 chapter, "women's business enterprise" has the meaning set forth in
 20 ~~IC 4-13-16.5-1.3~~ **IC 4-13-16.5-1.**

21 SECTION 11. IC 4-35-11-5, AS AMENDED BY P.L.87-2008,
 22 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 23 JULY 1, 2020]: Sec. 5. As used in this chapter, "women's business
 24 enterprise" has the meaning set forth in ~~IC 4-13-16.5-1.3~~.
 25 **IC 4-13-16.5-1.**

26 SECTION 12. IC 5-1.2-5-8, AS ADDED BY P.L.189-2018,
 27 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2020]: Sec. 8. (a) The authority shall consider economy of
 29 operation to the extent practicable in preparing and approving plans
 30 and specifications. The authority shall present plans and specifications
 31 for a state facility for approval to the department of administration and:

32 (1) if the state facility is designed to house the supreme court or
 33 court of appeals, the administrator of the supreme court for
 34 approval by the courts; and

35 (2) if the state facility is a correctional facility, the department of
 36 correction.

37 (b) After the plans and specifications have been approved by the
 38 authority under subsection (a), the authority shall advertise for and
 39 receive construction bids and award contracts to the best bidders in the
 40 same manner as required by law for the department of administration.

41 (c) With regard to participation by minority and women's business
 42 enterprises (as defined in IC 4-13-16.5-1), ~~and IC 4-13-16.5-1.3~~; the



1 authority shall act in the same manner as required by law for the
2 department of administration.

3 SECTION 13. IC 5-22-14-0.5 IS REPEALED [EFFECTIVE JULY
4 1, 2020]. Sec. 0.5: As used in this chapter, "NGB-22" means the
5 National Guard Report of Separation form or its predecessor or
6 successor form:

7 SECTION 14. IC 5-22-14-1, AS AMENDED BY P.L.90-2013,
8 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
9 JULY 1, 2020]: Sec. 1. As used in this chapter, "small business" means
10 a business that:

- 11 (1) is independently owned and operated;
- 12 (2) is not dominant in its field of operation; and
- 13 (3) satisfies the criteria
 - 14 (A) in the rules adopted under section 3 of this chapter. or
 - 15 (B) to be a veteran owned small business concern as specified
 - 16 in section 3.5 of this chapter:

17 SECTION 15. IC 5-22-14-2.5 IS REPEALED [EFFECTIVE JULY
18 1, 2020]. Sec. 2.5: As used in this chapter, "veteran" means an
19 individual who:

- 20 (1) has previously:
 - 21 (A) served on active duty in any branch of the armed forces of
 - 22 the United States or their reserves; in the national guard; or in
 - 23 the Indiana National Guard; and
 - 24 (B) received an honorable discharge from service; or
- 25 (2) is currently serving in:
 - 26 (A) any branch of the armed forces of the United States or
 - 27 their reserves;
 - 28 (B) the national guard; or
 - 29 (C) the Indiana National Guard.

30 SECTION 16. IC 5-22-14-3.5 IS REPEALED [EFFECTIVE JULY
31 1, 2020]. Sec. 3.5: (a) A business qualifies as a small business for
32 purposes of this chapter if the business is an Indiana small business
33 concern owned and controlled by veterans; as defined in 15 U.S.C.
34 632(q)(3) as in effect January 1, 2013; or is an Indiana small business
35 owned and operated by veterans (as defined in section 2.5 of this
36 chapter) and the business:

- 37 (1) has:
 - 38 (A) a current verification as a veteran owned small business
 - 39 concern under 38 CFR 74; et seq.; by the Center of Veterans
 - 40 Enterprise of the United States Department of Veterans
 - 41 Affairs; or
 - 42 (B) a current certification as a veteran owned small business



- 1 by the Indiana department of administration;
- 2 (2) is owned and controlled by one (1) or more veterans or, in the
- 3 case of a corporation, have at least fifty-one percent (51%) of the
- 4 corporation's stock owned by one (1) or more veterans; and
- 5 (3) has its principal place of business located in Indiana.
- 6 (b) The Indiana economic development corporation may assist the
- 7 Indiana department of administration in doing any of the following:
- 8 (1) Compiling and maintaining a comprehensive list of veteran
- 9 owned small businesses.
- 10 (2) Assisting veteran owned small businesses in complying with
- 11 the procedures for bidding on state contracts.
- 12 (3) Examining requests from the Indiana department of
- 13 administration for the purchase of supplies or services to help
- 14 determine which purchases may be consistent with the goal
- 15 described in section 11(a) of this chapter.
- 16 (4) Simplifying specifications and contract terms to increase the
- 17 opportunities for veteran owned small businesses to participate in
- 18 state contracts.
- 19 (c) The Indiana economic development corporation, in consultation
- 20 with the Indiana department of administration, may develop programs
- 21 to encourage cities, counties, towns, townships, and private businesses
- 22 to adopt the goal for contracts with veteran owned small businesses
- 23 described in section 11(a) of this chapter.
- 24 (d) For purposes of this chapter, information submitted by an
- 25 applicant for certification as a veteran owned small business that
- 26 contains:
- 27 (1) personal financial information; or
- 28 (2) confidential business information;
- 29 is confidential.
- 30 (e) For purposes of this chapter, the following forms submitted by
- 31 an applicant for certification as a veteran owned small business are
- 32 confidential:
- 33 (1) DD 214 (as defined in IC 10-17-15-1);
- 34 (2) NGB-22 (as defined in section 0.5 of this chapter);
- 35 (3) All forms submitted to verify current military or naval service
- 36 status.
- 37 SECTION 17. IC 5-22-14-11 IS REPEALED [EFFECTIVE JULY
- 38 1, 2020]. Sec. 11. (a) The Indiana department of administration shall
- 39 adopt rules under IC 4-22-2 to do the following:
- 40 (1) Increase contracting opportunities for Indiana veteran owned
- 41 small businesses described in section 3.5 of this chapter with a
- 42 goal to procure in each state fiscal year at least three percent (3%)



1 of state contracts with Indiana veteran owned small businesses.

2 (2) Develop procurement policies and procedures to accomplish
3 the goal described in subdivision (1); including guidelines to be
4 followed by the Indiana department of administration in
5 conducting the department's procurement efforts.

6 (3) Implement IC 5-22-14-3.5.

7 These procurement policies do not apply to a procurement of supplies
8 and services to address immediate and serious government needs at a
9 time of emergency, including a threat to the public health, welfare, or
10 safety that may arise by reason of floods; epidemics; riots; acts of
11 terrorism; major power failures; a threat proclaimed by the President of
12 the United States or the governor; or a threat declared by the
13 commissioner of the Indiana department of administration.

14 (b) The Indiana department of administration shall annually
15 evaluate its progress in meeting the goal described in this section for
16 the previous state fiscal year. Beginning in 2014, after June 30 and
17 before November 1 of each year, the Indiana department of
18 administration shall submit a report to the governor, the Indiana
19 department of veterans' affairs, and the interim study committee on
20 public safety and military affairs established by IC 2-5-1.3-4 and the
21 legislative council in an electronic format under IC 5-14-6. The report
22 must include:

23 (1) the percentage goal obtained by the Indiana department of
24 administration during the previous state fiscal year; and

25 (2) a summary of why the Indiana department of administration
26 failed to meet the goal and what actions are being taken by the
27 Indiana department of administration to meet the goal in the
28 current state fiscal year.

29 (c) The Indiana department of administration shall post the report
30 described in subsection (b) on the department's Internet web site not
31 later than thirty (30) days after the report is submitted. The Indiana
32 department of veterans' affairs shall post the report described in
33 subsection (b) on the department's Internet web site not later than thirty
34 (30) days after the report is submitted by the Indiana department of
35 administration.

36 SECTION 18. IC 5-22-15-23 IS AMENDED TO READ AS
37 FOLLOWS [EFFECTIVE JULY 1, 2020]: Sec. 23. (a) A governmental
38 body shall give a fifteen percent (15%) preference for supplies to:

39 (1) an Indiana small business (as defined in IC 5-22-14-1); or

40 (2) a veteran owned small business (as defined in
41 IC 4-13-16.5-1);

42 that submits an offer for purchase under this article.



1 (b) The governmental body may adopt rules to establish criteria to
2 carry out this section.

3 SECTION 19. IC 5-28-20-8, AS ADDED BY P.L.4-2005,
4 SECTION 34, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2020]: Sec. 8. As used in this chapter, "small business" has
6 the meaning set forth in IC 5-22-14-1. The term includes:

7 (1) an independently owned and operated business that is
8 operating under a franchise from another business; **and**

9 (2) **a veteran owned small business (as defined in**
10 **IC 4-13-16.5-1).**

11 SECTION 20. IC 6-3.1-29-13, AS ADDED BY P.L.191-2005,
12 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
13 JULY 1, 2020]: Sec. 13. As used in this section, "women's business
14 enterprise" has the meaning set forth in ~~IC 4-13-16.5-1.3.~~
15 **IC 4-13-16.5-1.**

16 SECTION 21. IC 8-25-4-7, AS ADDED BY P.L.153-2014,
17 SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JULY 1, 2020]: Sec. 7. (a) As used in this section, "minority business
19 enterprise" has the meaning set forth in IC 4-13-16.5-1.

20 (b) As used in this section, "veteran business enterprise" means a
21 business enterprise that has a current verification as a veteran owned
22 small business concern under 38 CFR 74 et seq. by the Center of
23 Veterans Enterprise of the United States Department of Veterans
24 Affairs.

25 (c) As used in this section, "women's business enterprise" has the
26 meaning set forth in ~~IC 4-13-16.5-1.3.~~ **IC 4-13-16.5-1.**

27 (d) Except where 49 CFR 26 applies, the fiscal body of an eligible
28 county or another person authorized to carry out a public transportation
29 project under this chapter shall set a goal for participation by minority
30 business enterprises, veteran business enterprises, and women's
31 business enterprises in conformity with the goals established by the
32 department of minority and women's business development of a
33 consolidated city and the goals of the department of administration
34 established under IC 5-22-14-11 **(before July 1, 2020) or**
35 **IC 4-13-16.5-3.5 (after June 30, 2020)** for veteran business
36 enterprises. The goals must be consistent with the goals of delivering
37 the project on time and within the budgeted amount and, insofar as
38 possible, using Indiana businesses for employees, goods, and services.

