

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 2537

(SENATE AUTHORS: CARLSON)

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OFFICIAL STATUS
Introduction and first reading
Referred to State Government Finance and Policy and Elections

- 1.1 A bill for an act
- 1.2 relating to state government; allowing the commissioner or a nationally recognized
- 1.3 certifying organization to certify small businesses for participation in state
- 1.4 procurement programs; amending Minnesota Statutes 2018, section 16C.19.
- 1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6 Section 1. Minnesota Statutes 2018, section 16C.19, is amended to read:
- 1.7 **16C.19 ELIGIBILITY; RULES.**
- 1.8 (a) A small business wishing to participate in the programs under section 16C.16,
- 1.9 subdivisions 4 to 7, must be certified by the commissioner or, if authorized by the
- 1.10 commissioner, by a nationally recognized certifying organization. The commissioner may
- 1.11 choose to authorize a nationally recognized certifying organization if the certification
- 1.12 requirements are substantially the same as those adopted under the rules authorized in this
- 1.13 section and the business meets the requirements in section 16C.16, subdivision 2.
- 1.14 (b) The commissioner shall adopt by rule standards and procedures for certifying that
- 1.15 small targeted group businesses, small businesses located in economically disadvantaged
- 1.16 areas, and veteran-owned small businesses are eligible to participate under the requirements
- 1.17 of sections 16C.16 to 16C.21. The commissioner shall adopt by rule standards and procedures
- 1.18 for hearing appeals and grievances and other rules necessary to carry out the duties set forth
- 1.19 in sections 16C.16 to 16C.21.
- 1.20 ~~(b)~~ (c) The commissioner may make rules which exclude or limit the participation of
- 1.21 nonmanufacturing business, including third-party lessors, brokers, franchises, jobbers,
- 1.22 manufacturers' representatives, and others from eligibility under sections 16C.16 to 16C.21.

2.1 ~~(e)~~ (d) The commissioner may make rules that set time limits and other eligibility limits
2.2 on business participation in programs under sections 16C.16 to 16C.21.

2.3 ~~(d)~~ (e) Notwithstanding paragraph (a), for purposes of sections 16C.16 to 16C.21, a
2.4 veteran-owned small business, the principal place of business of which is in Minnesota, is
2.5 certified if:

2.6 (1) it has been verified by the United States Department of Veterans Affairs as being
2.7 either a veteran-owned small business or a service-disabled veteran-owned small business,
2.8 in accordance with Public Law 109-461 and Code of Federal Regulations, title 38, part 74;
2.9 or

2.10 (2) the veteran-owned small business supplies the commissioner with proof that the
2.11 small business is majority-owned and operated by:

2.12 (i) a veteran as defined in section 197.447; or

2.13 (ii) a veteran with a service-connected disability, as determined at any time by the United
2.14 States Department of Veterans Affairs.

2.15 ~~(e)~~ (f) Until rules are adopted pursuant to paragraph (a) for the purpose of certifying
2.16 veteran-owned small businesses, the provisions of Minnesota Rules, part 1230.1700, may
2.17 be read to include veteran-owned small businesses. In addition to the documentation required
2.18 in Minnesota Rules, part 1230.1700, the veteran owner must have been discharged under
2.19 honorable conditions from active service, as indicated by the veteran owner's most current
2.20 United States Department of Defense form DD-214.

2.21 ~~(f)~~ (g) Notwithstanding paragraph (a), for purposes of sections 16C.16 to 16C.21, a
2.22 minority- or woman-owned small business, the principal place of business of which is in
2.23 Minnesota, is certified if it has been certified by the Minnesota unified certification program
2.24 under the provisions of Code of Federal Regulations, title 49, part 26.

2.25 ~~(g)~~ (h) The commissioner may adopt rules to implement the programs under section
2.26 16C.16, subdivisions 4 to 7, using the expedited rulemaking process in section 14.389.