

113TH CONGRESS
1ST SESSION

H. R. _____

To amend the Small Business Act and title 38, United States Code to provide for a consolidated definition of a small business concern owned and controlled by veterans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. COFFMAN (for himself, Mr. GRAVES of Missouri, Mr. MILLER of Florida, Mr. FLORES, and Mr. HANNA) introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Small Business Act and title 38, United States Code to provide for a consolidated definition of a small business concern owned and controlled by veterans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Improving Opportuni-
5 ties for Service-Disabled Veteran-Owned Small Businesses
6 Act of 2013”.

1 **SEC. 2. SMALL BUSINESS DEFINITION OF SMALL BUSINESS**

2 **CONCERN CONSOLIDATED.**

3 Section 3(q) of the Small Business Act (15 U.S.C.
4 632(q)) is amended—

5 (1) in paragraph (2), to read as follows:

6 “(2) SMALL BUSINESS CONCERN OWNED AND
7 CONTROLLED BY SERVICE-DISABLED VETERANS.—

8 The term ‘small business concern owned and con-
9 trolled by service-disabled veterans’ means a small
10 business concern—

11 “(A)(i) not less than 51 percent of which
12 is owned by one or more service-disabled vet-
13 erans or, in the case of any publicly owned busi-
14 ness, not less than 51 percent of the stock of
15 which is owned by one or more service-disabled
16 veterans; and

17 “(ii) the management and daily business
18 operations of which are controlled by one or
19 more service-disabled veterans or, in the case of
20 a veteran with permanent and severe disability,
21 the spouse or permanent caregiver of such vet-
22 eran; or

23 “(B) not less than 51 percent of which is
24 owned by one or more veterans with service-
25 connected disabilities that are permanent and
26 total who are unable to manage the daily busi-

1 ness operations of such concern or, in the case
2 of a publicly owned business, not less than 51
3 percent of the stock of which is owned by one
4 or more such veterans.”; and

5 (2) by adding at the end the following:

6 “(6) TREATMENT OF BUSINESSES AFTER
7 DEATH OF VETERAN-OWNER.—

8 “(A) IN GENERAL.—Subject to subpara-
9 graph (C), if the death of a service-disabled vet-
10 eran causes a small business concern to be less
11 than 51 percent owned by one or more such
12 veterans, the surviving spouse of such veteran
13 who acquires ownership rights in such small
14 business concern shall, for the period described
15 in subparagraph (B), be treated as if the sur-
16 viving spouse were that veteran for the purpose
17 of maintaining the status of the small business
18 concern as a small business concern owned and
19 controlled by service-disabled veterans.

20 “(B) PERIOD DESCRIBED.—The period re-
21 ferred to in subparagraph (A) is the period be-
22 ginning on the date on which the service-dis-
23 abled veteran dies and ending on the earliest of
24 the following dates:

1 “(i) The date on which the surviving
2 spouse remarries.

3 “(ii) The date on which the surviving
4 spouse relinquishes an ownership interest
5 in the small business concern.

6 “(iii) The date that is ten years after
7 the date of the veteran’s death.

8 “(C) APPLICATION TO SURVIVING
9 SPOUSE.—Subparagraph (A) only applies to a
10 surviving spouse of a veteran with a service-con-
11 nected disability rated as 100 percent disabling
12 or who dies as a result of a service-connected
13 disability.”.

14 **SEC. 3. VETERANS AFFAIRS DEFINITION OF SMALL BUSI-**
15 **NESS CONCERN CONSOLIDATED.**

16 Section 8127 of title 38, United States Code, is
17 amended—

18 (1) by striking subsection (h); and

19 (2) in subsection (l)(2), by striking “means”
20 and all that follows through the period at the end
21 and inserting the following: “has the meaning given
22 that term under section 3(q) of the Small Business
23 Act (15 U.S.C. 632(q)).”.

1 **SEC. 4. SBA TO ASSUME CONTROL OF VERIFICATION OF**
2 **OWNERSHIP AND CONTROL STATUS OF AP-**
3 **PLICANTS FOR INCLUSION IN THE DATABASE**
4 **OF SMALL BUSINESSES OWNED AND CON-**
5 **TROLLED BY SERVICE DISABLED VETERANS**
6 **AND VETERANS.**

7 The Small Business Act (15 U.S.C. 631 et seq.) is
8 amended by adding at the end the following:

9 **“SEC. 47. VETS FIRST PROGRAM.**

10 “Not later than 180 days after the effective date of
11 this section, the Administrator shall enter into a memo-
12 randum of understanding with the Secretary of Veterans
13 Affairs that transfer control and administration of the
14 program under subsections (e) through (g) of section 8127
15 of title 38, United States Code, to the Administrator, con-
16 sistent with the following:

17 “(1) Not later than 270 days after completing
18 the memorandum of understanding, the Adminis-
19 trator shall make rules to carry out the memo-
20 randum. If the Administrator does not make such
21 rules by such date, the Administrator may not exer-
22 cise the authority under section 7(a)(25)(A) until
23 such time as those rules are made.

24 “(2) The Administrator shall assume authority
25 and responsibility for maintenance and operation of

1 the database and for verifications under the pro-
2 gram.

3 “(3) Any appeal by a small business concern, at
4 the time that verification is denied or a contract is
5 awarded, of any determination under the program
6 shall be heard by the Office of Hearings and Ap-
7 peals of the Small Business Administration.

8 “(4) The Secretary shall, for a period of 6
9 years commencing on a date agreed to in the com-
10 pleted the memorandum, reimburse to the Adminis-
11 trator of the Small Business Administration any
12 costs incurred by the Administrator for actions un-
13 dertaken pursuant to the memorandum from fees
14 collected by the Secretary of Veteran Affairs under
15 multiple-award schedule contracts. Any disputes be-
16 tween the Secretary and the Administrator shall be
17 resolved by the Director of the Office of Manage-
18 ment and Budget”.

19 **SEC. 5. MEMORANDUM OF UNDERSTANDING.**

20 Section 8127(f) of title 38, United States Code, is
21 amended by adding at the end the following:

22 “(7) Not later than 180 days after the effective
23 date of this paragraph, the Secretary shall enter into
24 a memorandum of understanding with the Adminis-

1 trator of the Small Business Administration con-
2 sistent with section 47 of the Small Business Act.”.