



## Fiscal Estimate Narratives

DOA 5/5/2009

LRB Number	09-0066/1	Introduction Number	AB-0228	Estimate Type	Original
<b>Description</b> Awarding state procurements to certified disabled veteran-owned businesses, providing an exemption from emergency rule procedures, and requiring the exercise of rule-making authority					

### Assumptions Used in Arriving at Fiscal Estimate

Under current law, state agencies may accept a bid or proposal from a minority-owned business that is no more than 5% higher than the apparent low bid or most advantageous proposal. This bill would create identical price preferences for disabled veteran-owned businesses. The bill directs the Department of Administration (DOA) to prepare an annual report to the Legislature identifying the amount of business awarded to qualifying disabled veteran-owned business. After a period of 4 years, the bill requires DOA to recommend to the Legislature procurement goals for disabled veteran-owned business. This bill requires the Department of Commerce to maintain a database of disabled veteran-owned businesses that qualify for these preferences.

The bill also extends to disabled veteran-owned businesses certain reporting and contracting requirements for metropolitan sewerage districts, local exposition districts, local professional baseball park districts, local professional football stadium districts, and local cultural arts districts.

### Analysis

The Department of Veterans Affairs reports that 416 businesses are certified as veteran-owned. It is unknown how many of these would qualify as disabled veteran-owned businesses under this bill. Given that it is impossible to foresee the applicability of the preference on future purchases, the actual cost of expanding the preference is indeterminate.

Agencies currently provide DOA with information concerning minority-owned business procurements which are used to prepare an annual report to the Legislature. The addition of statistics regarding disabled veteran-owned business will entail minimal cost increases to state agencies. Any increases can be absorbed within current budgets.

There is insufficient information to estimate the financial impact on local districts.

### Long-Range Fiscal Implications

Unknown.