

**SUMMARY AND STATUS OF PUBLIC LAW 106-50:
"THE VETERANS ENTREPRENEURSHIP AND SMALL BUSINESS
DEVELOPMENT ACT OF 1999"**

This summary was obtained from Thomas: Legislative Information on the Internet, Bill Summary and Status of Public Law 106-50 (8/17/99), issued by the Library of Congress Summary. Public Law 106-50 consists of seven sections and provides new definitions that you should become familiar with:

DEFINITIONS

Service-disabled Veteran - a veteran with a disability that is service connected (as defined in section 101 (16) of title 38, United States Code).

Small Business Concern owned and controlled by Service-disabled Veterans - a small business concern:

- not less than 51 percent of which is owned by one or more service-disabled veterans or, in the case any publicly owned business, not less than 51 percent of the stock of which is owned by one or more service-disabled veterans; and
- the management and daily business operations of which are controlled by one or more service-disabled veterans or, in the case of a veteran with permanent and severe disability, the spouse or permanent caregiver of such a veteran.

Small Business Concern owned and controlled by Veterans - a small business concern:

- not less than 51 percent of which is owned by one or more veterans or, in the case of any publicly owned business, not less than 51 percent of the stock of which is owned by one or more veterans; and
- the management and daily business operations of which are controlled by one or more veterans.

Veteran - a person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable.

VETERANS BUSINESS DEVELOPMENT IN THE SBA

SEC. 201 designates the position of Associate Administrator for Veterans Business Development (AANBD). Additionally, it establishes the Office of Veterans Business Development (OVBD), to be administered by the AA/VBD. The AANBD is responsible for the formulation, execution, and promotion of policies and programs of the SBA that provide assistance to small businesses owned and controlled by veterans and service-disabled veterans (veteran small businesses).

SEC. 202 establishes the National Veterans Business Development Corporation (Corporation) to:

- expand the provision of and improve access to technical assistance regarding entrepreneurship for veterans; and
- work with and organize public and private resources and the business development staffs of each Federal department and agency to assist veterans and service-disabled veterans with the formation and expansion of small businesses.

This Section requires the Corporation to establish and maintain a network of information and assistance centers for use by veterans and the public. It requires an annual report from the Corporation's Board of Directors to the President and Congress describing its activities and accomplishments for the preceding year. It directs the Corporation to establish a Professional Certification Advisory Board to create uniform guidelines and standards for the professional certification of members of the armed forces to aid in their transition to civilian occupations and professions and to remove potential barriers in the areas of licensing and certification. Finally, it authorizes appropriations for FY 2000 through FY 2003.

SEC. 203 establishes the Advisory Committee on Veterans Business Affairs to serve as an independent source of advice and policy recommendations concerning veterans' business affairs. It requires an annual Committee report to Congress and the President on its activities and recommendations. Finally, it terminates the Committee on September 30, 2004, after which the Corporation (established under SEC. 202) shall assume its duties and responsibilities

TECHNICAL ASSISTANCE

SEC. 301 directs the SBA Administrator to enter into a memorandum of understanding with the Service Corps of Retired Executives (SCORE) for the:

- Appointment by SCORE in its national office of an individual to act as National Veterans Business Coordinator;
- Assistance of SCORE in establishing and maintaining a toll-free telephone number and Internet Website to provide access for veterans to information about entrepreneurship counseling and training available through SCORE; and
- Collection of statistics concerning services provided by SCORE to veterans.

SEC. 302 requires the Secretary of Veterans Affairs, the SBA Administrator and the head of the association formed by the Small Business Development Centers (SBDC) under the Act (15 U.S.C. 648) to enter into a memorandum of understanding with respect to entrepreneurial assistance to veterans through SBDCs and the Department of Veterans Affairs.

SEC. 303 directs the SBA to utilize its entrepreneurial development and management assistance programs to provide business counseling and training to any small businesses adversely affected by the deployment of U.S. armed forces in support of a period of military conflict. It requires the SBA, for the duration of Operation Allied Force and 120 days thereafter, to enhance publicity of the availability of such assistance.

FINANCIAL ASSISTANCE

SEC. 401 defines "handicapped individual" as an individual whom:

- has a physical, mental, or emotional impairment, defect, ailment, disease, or disability of a permanent nature which in any way limits the selection of any type of employment for which the person would otherwise be qualified or qualifiable; or
- is a service-disabled veteran.

SEC. 402 requires the SBA, upon written request, to defer repayment of principal and interest due on a direct general business or disaster loan made to a member of the reserves ordered to active duty during a period of military conflict, as long as such reservist:

- receives the loan before being ordered to such duty; and
- is an essential employee of a small business for which the loan was made.
- It extends such deferral period until 180 days after such reservist is discharged or released for active duty. This Section also directs the SBA to encourage lenders and loan intermediaries participating in other SBA loan programs to defer repayment of similar loans as well as loans made under the Small Business Investment Act of 1958.

SEC. 402 authorizes the SBA to make disaster loans to assist a small business that has suffered or is likely to suffer economic injury as the result of an essential employee of such business being ordered to active duty during a period of military conflict. It extends such assistance until 90 days after such reservist is discharged or released from such duty. It provides a loan limitation. It also applies such assistance to periods of military conflict occurring on or after March 24,1999.

SEC. 402 directs the SBA to utilize its entrepreneurial development and management assistance programs to provide business counseling and training to any small business adversely affected by the deployment of U.S. armed forces in support of a period of military conflict. It requires the SBA, for the duration of Operation Allied Force and 120 days thereafter, to enhance publicity of the availability of such assistance.

SEC. 402 provides additional definitions:

- **Eligible Reservist** - The term "eligible reservist" means a member of a reserve component of the Armed Forces ordered to active duty during a period of military conflict.
- **Essential Employee** - The term "essential employee" means an individual who is employed by a small business concern and whose managerial or technical expertise is critical to the successful day-to-day operations of that small business concern.
- **Period of Military Conflict** - The term "period of military conflict" means a period of war declared by the Congress; a period of national emergency declared by the Congress or by the President; or a period of a contingency operation, as defined in section 101 (a) of Title 10, U.S.C..
- **Qualified Borrower** - The term "qualified borrower" means an individual who is an eligible reservist and who received a direct loan under subsection (a) or (b) before being ordered to active duty; or a small business concern that received a direct loan under subsection (a) or (b) before an eligible reservist, who is an essential employee, was ordered to active duty.

SEC. 403 makes veteran small business owners eligible for the SBA's Microloan program, Delta loan program, and State development company program.

PROCUREMENT ASSISTANCE

SECs. 501 and 502 includes veteran small businesses within Federal contracting and subcontracting goals for small business owners and within goals for the participation of small businesses in Federal procurement contracts. It requires the head of each Federal agency to

establish agency goals for the participation, by small businesses owned and controlled by service-disabled veterans, in that agency's procurement contracts.

REPORTS AND DATA COLLECTION

SECs. 601 and 602 amends the Act and the Small Business Economic Policy Act of 1980 to require information concerning small businesses owned by veterans, including service-disabled veterans, to be included within certain reporting requirements.

SEC. 603 directs the Administrator to report annually to the congressional small business committees on the needs of small businesses owned and controlled by veterans and service-disabled veterans.

SEC. 604 requires the Administrator, for each fiscal year, to collect and make available to any small business information concerning the procurement practices and procedures of each Federal department and agency; and publish and disseminate such information to Federal procurement officers.

It directs the Secretary of Veterans Affairs, in each fiscal year to identify U.S. veteran small businesses. It further directs the Secretaries of Labor and Veterans Affairs and the Administrator to enter into a memorandum of understanding to provide for the coordination of vocational rehabilitation services, technical and managerial assistance, and financial assistance to veterans, including service-disabled veterans, seeking to employ themselves by forming or expanding small businesses.

MISCELLANEOUS PROVISIONS

SEC. 701 directs the Administrator to strengthen and reissue a specified SBA order relating to non-discrimination and special considerations for veterans, and to fully and vigorously implement such order.

SEC. 702 requires the SBA's Office of Advocacy to evaluate the efforts of each Federal department and agency, and of private industry, to assist veteran small businesses, to provide statistical information on the utilization of such programs by small business, and to make appropriate recommendations to the Administrator and Congress in order to

SEC. 703 directs the Comptroller General to study whether there would exist any additional cost to the United States if up to ten percent of federally guaranteed loans were made for the acquisition or construction of fixed assets used in a trade or business rather than for the purchase or construction of residential buildings. It requires a report to the congressional veterans' and small business committees.