

SECOND REGULAR SESSION

HOUSE BILL NO. 1631

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE EVANS.

5403H.02I

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 37.020, RSMo, and to enact in lieu thereof one new section relating to minority-owned businesses.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 37.020, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 37.020, to read as follows:

37.020. 1. As used in this section, the following words and phrases mean:

(1) "Certification", the determination, through whatever procedure is used by the office of administration, that a legal entity is a socially and economically disadvantaged small business concern for purposes of this section;

(2) "Department", the office of administration and any public institution of higher learning in the state of Missouri;

(3) "Minority business enterprise", a business that is:

(a) A sole proprietorship owned and controlled by a minority;

(b) A partnership or joint venture owned and controlled by minorities in which at least fifty-one percent of the ownership interest is held by minorities and the management and daily business operations of which are controlled by one or more of the minorities who own it; ~~or~~

(c) A corporation or other entity whose management and daily business operations are controlled by one or more minorities who own it, and which is at least fifty-one percent owned by one or more minorities, or if stock is issued, at least fifty-one percent of the stock is owned by one or more minorities; **or**

(d) A nonprofit corporation that:

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 **a. Is exempt from federal income tax under Section 501(c)(3) of the Internal**
18 **Revenue Code;**

19 **b. Is headquartered in Missouri;**

20 **c. Has been in continuous existence for at least five years;**

21 **d. Has a collective majority of individuals serving on the board of directors and as**
22 **corporate officers who are members of a minority;**

23 **e. Has a board of directors that has been in compliance with all other requirements**
24 **of this chapter for at least five years; and**

25 **f. Is chartered for charitable purposes;**

26 (4) "Socially and economically disadvantaged individuals", individuals, regardless of
27 gender, who have been subjected to racial, ethnic, or sexual prejudice or cultural bias because
28 of their identity as a member of a group without regard to their individual qualities and whose
29 ability to compete in the free enterprise system has been impaired due to diminished capital and
30 credit opportunities as compared to others in the same business area. In determining the degree
31 of diminished credit and capital opportunities the office of administration shall consider, but not
32 be limited to, the assets and net worth of such individual;

33 (5) "Socially and economically disadvantaged small business concern", any small
34 business concern:

35 (a) Which is at least fifty-one percentum owned by one or more socially and
36 economically disadvantaged individuals; or, in the case of any publicly owned business, at least
37 fifty-one percentum of the stock of which is owned by one or more socially and economically
38 disadvantaged individuals; and

39 (b) Whose management and daily business operations are controlled by one or more of
40 such individuals;

41 (6) "Women's business enterprise", a business that is:

42 (a) A sole proprietorship owned and controlled by a woman;

43 (b) A partnership or joint venture owned and controlled by women in which at least
44 fifty-one percent of the ownership interest is held by women and the management and daily
45 business operations of which are controlled by one or more of the women who own it; ~~or~~

46 (c) A corporation or other entity whose management and daily business operations are
47 controlled by one or more women who own it, and which is at least fifty-one percent owned by
48 women, or if stock is issued, at least fifty-one percent of the stock is owned by one or more
49 women; **or**

50 **(d) A nonprofit corporation that:**

51 **a. Is exempt from federal income tax under Section 501(c)(3) of the Internal**
52 **Revenue Code;**

- 53 **b. Is headquartered in Missouri;**
54 **c. Has been in continuous existence for at least five years;**
55 **d. Has a collective majority of individuals serving on the board of directors and as**
56 **corporate officers who are women;**
57 **e. Has a board of directors that has been in compliance with all other requirements**
58 **of this chapter for at least five years; and**
59 **f. Is chartered for charitable purposes.**

60 2. The office of administration, in consultation with each department, shall establish and
61 implement a plan to increase and maintain the participation of certified socially and economically
62 disadvantaged small business concerns or minority business enterprises, directly or indirectly,
63 in contracts for supplies, services, and construction contracts, consistent with goals determined
64 after an appropriate study conducted to determine the availability of socially and economically
65 disadvantaged small business concerns and minority business enterprises in the marketplace.
66 The commissioner of administration shall appoint an oversight review committee to oversee and
67 review the results of such study. The committee shall be composed of nine members, four of
68 whom shall be members of business, three of whom shall be from staff of selected departments,
69 one of whom shall be a member of the house of representatives, and one of whom shall be a
70 member of the senate.

71 3. The goals to be pursued by each department under the provisions of this section shall
72 be construed to overlap with those imposed by federal law or regulation, if any, shall run
73 concurrently therewith and shall be in addition to the amount required by federal law only to the
74 extent the percentage set by this section exceeds those required by federal law or regulations.

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