



COUNTY ADVISORY BULLETIN

CAB

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June 2022

Certification Requirements for Minority Business Enterprises, Women-owned Business Enterprises, and Veteran-friendly Business Enterprises

APPLICABLE LEGISLATION: Am. Sub. S. B. No. 105 (134th General Assembly)

REVISED CODE SECTIONS: Amends ORC Sections 122.921, 122.924, and 122.925

LEAD SPONSOR: Senators Vernon Sykes and Kirk Schuring

SENATE COSPONSORS: Antonio, Craig, Fedor, Huffman, S., Maharath, Thomas, Williams, Yuko, Blessing, Brenner, Cirino, Dolan, Gavarone, Hackett, Hoagland, Hottinger, Kunze, Lang, Manning, Reineke, Romanchuk, Rulli, Wilson

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EFFECTIVE DATE: June 1, 2022

BACKGROUND

Amended Substitute Senate Bill 105 (SB 105) creates reciprocity of state certification for Minority Business Enterprise (MBE), Women-owned Business Enterprise (WBE), and Veteran-friendly Business Enterprise. The bill does not prevent political subdivisions including counties from establishing their own criteria for comparable local programs, but it does require political subdivisions to defer to the state's determination on certain characteristics of a state-certified MBE, WBE, or VBE.

DEFINITIONS

"Minority business enterprise" means an individual who is a United States citizen and owns and controls a business, or a partnership, corporation, or joint venture of any kind that is owned and controlled by United States citizens, which citizen or citizens are residents of this state and are members of one of the following economically disadvantaged groups: Blacks or African Americans, American Indians, Hispanics or Latinos, and Asians. (ORC 122.71(E)(1))

"Women-owned business enterprise" means any individual, partnership, corporation, or joint venture of any kind that is owned and controlled by women who are United States citizens and residents of this state or of a reciprocal state. (ORC 122.924(A))

"Veteran-friendly business enterprise" means a sole proprietorship, association, partnership, corporation, limited liability company, or joint venture that meets veteran employment standards established by the director of development and the director of transportation under this section. (ORC 122.925(A))

SYNOPSIS

Minority Business Enterprise

SB 105 amends ORC 122.921 to allow a person who has been certified as a minority business enterprise (MBE) by the state to present that certification to a political subdivision as eligibility to participate in local MBE programs. The language does not automatically qualify the business for a local program. However, the political subdivision must defer to the state's determination on whether the person is:

- A member of the economically disadvantaged group indicated on the certification;
- An owner of at least fifty-one per cent of the business, including corporate stock if a corporation, and has control over the management and day-to-day operations of the business and an interest in the capital, assets, and profits and losses of the business proportionate to the person's percentage of ownership.

Political subdivisions may still require additional requirements and qualifications for local MBE programs.

Women-owned Business Enterprise

SB 105 amends ORC 122.924 to allow a person who has been certified as a women-owned business enterprise (WBE) by the state to present that certification to a political subdivision as eligibility to participate in local WBE programs. The language does not automatically qualify the business for a local program. However, the political subdivision must defer to the state's determination on whether the person:

- Owns and controls the person's business
- Has owned the person's business for at least one year.

Political subdivisions may still require additional requirements and qualifications for local WBE programs.

Veteran-friendly Business Enterprise

SB 105 amends ORC 122.925 to allow a person who has been certified as a veteran-friendly business enterprise (VBE) by the state to present that certification to a political subdivision as eligibility to participate in local WBE programs. The language does not automatically qualify the business for a local program. However, the political subdivision must defer to the state's determination on whether the person follows the state established criteria based on the percentage of an applicant's employees who are veterans under ORC 122.925(B)(1).

Political subdivisions may still require additional requirements and qualifications for local VBE programs.