



# SENATE BILL 578: Veteran-Owned Small Business/Annual Report.

2017-2018 General Assembly

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<b>Committee:</b>		<b>Date:</b>	August 29, 2017
<b>Introduced by:</b>		<b>Prepared by:</b>	Jennifer H. Bedford
<b>Analysis of:</b>	S.L. 2017-90		Staff Attorney

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**OVERVIEW:** *S.L. 2017-90 requires the Secretary of State to compile aggregated data on the number of corporations and limited liability companies and partnerships that are veteran-owned and service-disabled veteran-owned small businesses and report the findings to the Department of Military Affairs by March 1st of every year. This act becomes effective January 1, 2018, and applies to annual reports filed by business entities on or after that date.*

**CURRENT LAW:** The North Carolina Business Corporation Act, North Carolina Limited Liability Act, and Partnership Chapters in the General Statutes do not have procedures for obtaining data on veteran-owned and service-disabled veteran-owned small businesses.

**BILL ANALYSIS:**

**Section 1.(a)** sets forth new relevant definitions in Chapter 55 (North Carolina Business Corporation Act).

**Section 1.(b)** requires the Secretaries of Revenue and State to provide space on annual report forms that would allow domestic and foreign corporations to voluntarily indicate if they are a veteran-owned small business or a service-disabled veteran-owned small business.

**Section 2.(a) and Section 3.(a)** require the Secretary of State to provide annual report forms to limited liability companies and registered limited liability partnerships or foreign limited liability partnerships to voluntarily indicate if they are a veteran-owned business or a service-disabled veteran-owned small business.

**Section 1.(c), Section 2.(b), and Section 3.(b)** require the Secretary of State to compile information provided by the corporations, limited liability companies, and limited liability partnerships on the annual report forms about the number of veteran-owned and service-disabled veteran-owned small business in this State on an aggregate basis and to report the information to the Department of Military and Veteran Affairs by March 1st of every year.

**Section 4** authorizes the inclusion of an explanation on the annual report form explaining that information regarding veteran-owned small businesses and service-disabled veteran-owned small businesses is being requested to document the importance and impact of the State's military population on the State's communities and economy.

**EFFECTIVE DATE:** This act becomes effective January 1, 2018, and applies to annual reports filed by business entities on or after that date.

*Kristen Harris, Staff Attorney, substantially contributed to this document.*

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