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HOUSE BILL NO. 2328

Offered January 9, 2019

Prefiled January 8, 2019

A *BILL to amend the Code of Virginia by adding a section numbered 2.2-4376.2, relating to the Virginia Public Procurement Act; proscribed subcontracting by certain small businesses.*

Patrons—McNamara, Davis and Peace

Referred to Committee on General Laws**Be it enacted by the General Assembly of Virginia:****1. That the Code of Virginia is amended by adding a section numbered 2.2-4376.2 as follows:****§ 2.2-4376.2. *Proscribed subcontracting by certain small businesses.***

When a small business is awarded a contract by a public body as part of an enhancement or remedial measure authorized by the Governor pursuant to subsection C of § 2.2-4310, and the award of such contract is conditioned upon such small business's qualification as part of a subcategory of small businesses established as part of the enhancement program, such small business shall be prohibited from subcontracting with any other business with which it has an affiliated business entity relationship. For purposes of this section, an affiliated business entity relationship exists when (i) one business entity has a controlling ownership interest in the other business entity; (ii) a controlling owner of one business entity, or an immediate family member of such controlling owner, is also a controlling owner of the other business entity; or (iii) there is shared management or control between the two business entities.

INTRODUCED

HB2328