

## 1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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

4 [H 2328]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That the Code of Virginia is amended by adding a section numbered 2.2-4376.2 as follows:**8 **§ 2.2-4376.2. *Proscribed subcontracting by certain small businesses.***

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

ENROLLED

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