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HOUSE BILL NO. 963

Offered January 12, 2022

Prefiled January 12, 2022

A BILL to amend and reenact § 2.2-1605 of the Code of Virginia, relating to the Department of Small Business and Supplier Diversity; community groups and universities.

Patrons—Subramanyam and Plum

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:**1. That § 2.2-1605 of the Code of Virginia is amended and reenacted as follows:****§ 2.2-1605. Powers and duties of Department.**

A. The Department shall have the following powers and duties:

1. Coordinate as consistent with prevailing law the plans, programs, and operations of the state government that affect or may contribute to the establishment, preservation, and strengthening of small, women-owned, and minority-owned businesses;

2. Promote the mobilization of activities and resources of state and local governments, *Community Development Financial Institutions (CDFIs)*, businesses and trade associations, baccalaureate institutions of higher education, foundations, professional organizations, and volunteer and other groups towards the growth of small businesses and businesses owned by women and minorities; and facilitate the coordination of the efforts of these groups with those of state departments and agencies;

3. Establish a center for the development, collection, summarization, and dissemination of information that will be helpful to persons and organizations throughout the nation in undertaking or promoting procurement from small, women-owned, and minority-owned businesses;

4. Consistent with prevailing law and availability of funds, and according to the Director's discretion, provide technical and management assistance to small, women-owned, and minority-owned businesses and defray all or part of the costs of pilot or demonstration projects that are designed to overcome the special problems of small, women-owned, and minority-owned businesses;

5. Advise the Small Business Financing Authority on the management and administration of the Small, Women-owned, and Minority-owned Business Loan Fund created pursuant to § 2.2-2311.1;

6. Implement any remediation or enhancement measure for small, women-owned, or minority-owned businesses as may be authorized by the Governor pursuant to subsection C of § 2.2-4310 and develop regulations, consistent with prevailing law, for program implementation. Such regulations shall be developed in consultation with the state agencies with procurement responsibility and promulgated by those agencies in accordance with applicable law; and

7. Receive and coordinate, with the appropriate state agency, the investigation of complaints that a business certified pursuant to this chapter has failed to comply with its subcontracting plan under subsection D of § 2.2-4310. If the Department determines that a business certified pursuant to this chapter has failed to comply with the subcontracting plan, the business shall provide a written explanation;

8. *Maintain a list of community groups, state and local governments, CDFIs, businesses and trade associations, and universities, such as those described in subdivision 2, in the Commonwealth to be consulted in exercising the powers and fulfilling the duties enumerated in this section. All community groups and universities maintained on the list shall be notified of all actions taken by the agency and provided an opportunity to comment prior to any permanent action taking place, such as the promulgation of regulations; and*

9. *Continue to work proactively with community groups, state and local governments, CDFIs, businesses and trade associations, and universities, such as those described in subdivision 2, in the Commonwealth to develop targeted outreach and programming to build business capacity and encourage businesses to obtain appropriate certifications, including small, women-owned, and minority-owned business certifications, through the Department.*

B. In addition, the Department shall serve as the liaison between the Commonwealth's existing businesses and state government in order to promote the development of Virginia's economy. To that end, the Department shall:

1. Encourage the training or retraining of individuals for specific employment opportunities at new or expanding business facilities in the Commonwealth;

2. Develop and implement programs to assist small businesses in the Commonwealth in order to promote their growth and the creation and retention of jobs for Virginians;

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59 3. Establish an industry program that is the principal point of communication between basic
60 employers in the Commonwealth and the state government that will address issues of significance to
61 business;

62 4. Make available to existing businesses, in conjunction and cooperation with localities, chambers of
63 commerce, and other public and private groups, basic information and pertinent factors of interest and
64 concern to such businesses; and

65 5. Develop statistical reports on job creation and the general economic conditions in the
66 Commonwealth.

67 C. All agencies of the Commonwealth shall assist the Department upon request and furnish such
68 information and assistance as the Department may require in the discharge of its duties.

69 *For the purposes of this section, "Community Development Financial Institutions" or "CDFIs" means*
70 *specialized community-based financial institutions with a primary mission to promote economic*
71 *development by providing financial products and services to people and communities underserved by*
72 *traditional financial institutions, particularly in low-income communities.*