

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE BILL 907
Commerce Committee Substitute Adopted 5/2/05

Short Title: Minority Business Certification.

(Public)

Sponsors:

Referred to:

March 24, 2005

A BILL TO BE ENTITLED

AN ACT REQUIRING THE SECRETARY OF ADMINISTRATION TO ADOPT
RULES AND PROCEDURES TO CERTIFY HISTORICALLY
UNDERUTILIZED BUSINESSES AND TO MAINTAIN A DATABASE OF THE
BUSINESSES CERTIFIED.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143-48 is amended by adding the following new
subsection to read:

**"§ 143-48. State policy; cooperation in promoting the use of small contractors,
minority contractors, physically handicapped contractors, and women
contractors; purpose; required annual reports.**

...

(d1) The Secretary of Administration shall adopt rules and procedures for: (i) the
certification of a business under this section as a historically underutilized business; and
(ii) the creation and maintenance of a database of the businesses certified as historically
underutilized businesses. The database shall be created and maintained by the
Department of Administration, Office of Historically Underutilized Business, and shall
include the necessary procedures and rules for certification under this section."

SECTION 2. G.S. 143-128.3 is amended by adding the following new
subsection to read:

"§ 143-128.3. Minority business participation administration.

...

(e1) The Secretary shall adopt rules and procedures for: (i) the certification of a
minority business contractor, as defined in G.S. 143-128.2(g), as a historically
underutilized business; and (ii) the creation and maintenance of a database of the
businesses certified as historically underutilized businesses. The database shall be
created and maintained by the Department of Administration, Office of Historically
Underutilized Business, and shall include the necessary procedures and rules for
certification as a historically underutilized business."

1 **SECTION 3.** Article 8 of Chapter 143 of the General Statutes is amended by
2 adding a new section to read:

3 **"§ 143-128.4. Historically underutilized business defined.**

4 (a) As used in this Chapter, the term "historically underutilized business" means
5 a business that meets all of the following conditions:

6 (1) At least fifty-one percent (51%) of the business is owned by one or
7 more persons who are members of at least one of the groups set forth
8 in subsection (b) of this section, or in the case of a corporation, at least
9 fifty-one percent (51%) of the stock is owned by one or more persons
10 who are members of at least one of the groups set forth in subsection
11 (b) of this section.

12 (2) The management and daily business operations are controlled by one
13 or more owners of the business who are members of at least one of the
14 groups set forth in subsection (b) of this section.

15 (b) To qualify as a historically underutilized business under this section, a
16 business must be owned and controlled as set forth in subsection (a) of this section by
17 one or more citizens or lawful permanent residents of the United States who are
18 members of one or more of the following groups:

19 (1) Black. – A person having origins in any of the black racial groups of
20 Africa.

21 (2) Hispanic. – A person of Spanish or Portuguese culture having origins
22 in Mexico, South or Central America, or the Caribbean islands,
23 regardless of race.

24 (3) Asian American. – A person having origins in any of the original
25 peoples of the Far East, Southeast Asia, Asia, Indian continent, or
26 Pacific islands.

27 (4) American Indian. – A person having origins in any of the original
28 Indian peoples of North America.

29 (5) Female.

30 (6) Disabled. – A person with a disability as defined in G.S. 168-1 or
31 G.S. 168A-3.

32 (7) Disadvantaged. – A person who is socially and economically
33 disadvantaged as defined in 15 U.S.C. § 637."

34 **SECTION 4.** This act is effective when it becomes law.