

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: April 8, 2010
POSITION: Neutral
SPONSOR: Associated General Contractors

BILL NUMBER: AB 2627
AUTHOR: J. Nielsen

BILL SUMMARY: Veterans: Contracts: Disabled Veterans Businesses

This bill would require commission fees paid to a broker or equipment broker be credited toward participation goals for disabled veteran business enterprises (DVBE). This bill also revises various definitions including, "broker or agent," "equipment," and "equipment broker."

FISCAL SUMMARY

The Department of General Services indicates that any costs resulting from this bill would be minor and absorbable within existing resources.

COMMENTS

Existing law provides a 3 percent statewide participation goal for DVBEs and prohibits state funds expended for equipment rented from equipment brokers from being counted toward the 3 percent goal.

This bill would:

- Require commission fees paid to a broker or equipment broker be credited toward participation goals.
- Revise the definition of "broker," "agent," and "equipment broker" to include contractors.
- Revise the definition of "equipment" to include equipment provided to contractors.

| Code/Department Agency or Revenue Type | SO LA CO RV | (Fiscal Impact by Fiscal Year) | | | | | | | Fund Code | |
|--|------------------------|--------------------------------|------------------------------------|-----------|----|-----------|----|-----------|--------------|------|
| | | PROP 98 | FC | 2009-2010 | | 2010-2011 | | 2011-2012 | | |
| | | | | FC | FC | FC | FC | | | |
| 1760/Dept Gen Svc | SO | No | ----- No/Minor Fiscal Impact ----- | | | | | | | 0666 |
| <u>Fund Code</u> | <u>Title</u> | | | | | | | | | |
| 0666 | Service Revolving Fund | | | | | | | | | |

| | | | |
|-----------------------------|------|----------------------------------|------|
| Analyst/Principal (0242) | Date | Assistant Program Budget Manager | Date |
|-----------------------------|------|----------------------------------|------|

| | |
|----------------------------|------|
| Department Deputy Director | Date |
|----------------------------|------|

| | | | |
|--------------------|-----|-------|----------------------------|
| Governor's Office: | By: | Date: | Position Approved _____ |
| | | | Position Disapproved _____ |

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)