

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

SESSION LAW 2017-90
SENATE BILL 578

AN ACT TO REQUIRE THE OFFICE OF THE SECRETARY OF STATE TO ANNUALLY COMPILE INFORMATION ABOUT THE NUMBER OF VETERAN-OWNED SMALL BUSINESSES AND SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESSES AND TO PROVIDE THIS INFORMATION TO THE DEPARTMENT OF MILITARY AND VETERANS AFFAIRS.

Whereas, over 770,000 veterans reside across all of North Carolina's one hundred counties; and

Whereas, North Carolina proudly has one of the largest veteran populations in the country; and

Whereas, the number of veterans across our State underscores the importance and impact of the State's current military base populations to our State and how veterans and their families continue to reside in the State after the conclusion of their military service to further contribute to the State's workforce and economy; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 55-1-40 reads as rewritten:

"§ 55-1-40. Chapter definitions.

In this Chapter unless otherwise specifically provided:

(1) ~~"Articles of incorporation" include amended and restated articles of incorporation and articles of merger.~~

(1a) "Articles of incorporation" include amended and restated articles of incorporation and articles of merger.

...

(20a) "Service-disabled veteran" means a veteran with a disability that was incurred or aggravated during the veteran's service in the Armed Forces of the United States.

(20b) "Service-disabled veteran-owned small business" means a business that satisfies both of the following requirements:

a. The business's net annual receipts do not exceed one million dollars (\$1,000,000).

b. One or more service-disabled veterans own more than fifty percent (50%) of the business.

...

(25a) "Veteran" means an individual entitled to any benefits or rights under the laws of the United States by reason of service in the Armed Forces of the United States.

(25b) "Veteran-owned small business" means a business that satisfies both of the following requirements:

a. The business's net annual receipts do not exceed one million dollars (\$1,000,000).



- b. One or more veterans own more than fifty percent (50%) of the business.

...."

SECTION 1.(b) G.S. 55-16-22 is amended by adding a new subsection to read:

"(a4) The Secretary of Revenue and the Secretary of State shall also provide appropriate space and instructions on the annual report form for a domestic corporation or foreign corporation to voluntarily indicate whether or not the corporation is a veteran-owned small business or a service-disabled veteran-owned small business."

SECTION 1.(c) Part 2 of Article 16 of Chapter 55 of the General Statutes is amended by adding a new section to read:

"§ 55-16-22.2. Report of veteran-owned small businesses and service-disabled veteran-owned small businesses.

Using the information reported pursuant to G.S. 55-16-22(a4), the Secretary of State shall compile summary information on an aggregate basis about the number of veteran-owned small businesses and the number of service-disabled veteran-owned small businesses reporting in this State. The Secretary of State shall annually report this summary information to the Department of Military and Veterans Affairs by March 1 of each year."

SECTION 2.(a) G.S. 57D-2-24 is amended by adding a new subsection to read:

"(a1) The Secretary of State shall also provide appropriate space and instructions on the annual report form for a limited liability company to voluntarily indicate whether or not it is a veteran-owned small business or a service-disabled veteran-owned small business."

SECTION 2.(b) Part 2 of Article 2 of Chapter 57D of the General Statutes is amended by adding a new section to read:

"§ 57D-2-25. Report of veteran-owned small businesses and service-disabled veteran-owned small businesses.

Using the information reported pursuant to G.S. 57D-2-24(a1), the Secretary of State shall compile summary information on an aggregate basis about the number of veteran-owned small businesses and the number of service-disabled veteran-owned small businesses reporting in this State. The Secretary of State shall annually report this summary information to the Department of Military and Veterans Affairs by March 1 of each year."

SECTION 3.(a) G.S. 59-84.4 is amended by adding a new subsection to read:

"(a1) The Secretary of State shall also provide appropriate space and instructions on the annual report form for a registered limited liability partnership or foreign limited liability partnership to voluntarily indicate whether or not it is a veteran-owned small business or a service-disabled veteran-owned small business."

SECTION 3.(b) Article 3B of Chapter 59 of the General Statutes is amended by adding a new section to read:

"§ 59-84.5. Report of veteran-owned small businesses and service-disabled veteran-owned small businesses.

Using the information reported pursuant to G.S. 59-84.4(a1), the Secretary of State shall compile summary information on an aggregate basis about the number of veteran-owned small businesses and the number of service-disabled veteran-owned small businesses reporting in this State. The Secretary of State shall annually report this summary information to the Department of Military and Veterans Affairs by March 1 of each year."

SECTION 4. G.S. 57D-1-03 reads as rewritten:

"§ 57D-1-03. Definitions.

In this Chapter unless otherwise specifically provided:

...

(32a) Service-disabled veteran. – A veteran with a disability that was incurred or aggravated during the veteran's service in the Armed Forces of the United States.

- (33b) Service-disabled veteran-owned small business. – A business that satisfies both of the following requirements:
- a. The business's net annual receipts do not exceed one million dollars (\$1,000,000).
 - b. One or more service-disabled veterans own more than fifty percent (50%) of the business.

...

(35) Veteran. – An individual entitled to any benefits or rights under the laws of the United States by reason of service in the Armed Forces of the United States.

(36) Veteran-owned small business. – A business that satisfies both of the following requirements:

- a. The business's net annual receipts do not exceed one million dollars (\$1,000,000).
- b. One or more veterans own more than fifty percent (50%) of the business."

SECTION 5. G.S. 59-32 reads as rewritten:

"§ 59-32. Definition of terms.

As used in this Chapter, except as otherwise defined in Article 5 of this Chapter for purposes of that Article, unless the context otherwise requires:

...

(8) "Service-disabled veteran" means a veteran with a disability that was incurred or aggravated during the veteran's service in the Armed Forces of the United States.

(9) "Service-disabled veteran-owned small business" means a business that satisfies both of the following requirements:

- a. The business's net annual receipts do not exceed one million dollars (\$1,000,000).
- b. One or more service-disabled veterans own more than fifty percent (50%) of the business.

...

(10) "Veteran" means an individual entitled to any benefits or rights under the laws of the United States by reason of service in the Armed Forces of the United States.

(11) "Veteran-owned small business" means a business that satisfies both of the following requirements:

- a. The business's net annual receipts do not exceed one million dollars (\$1,000,000).
- b. One or more veterans own more than fifty percent (50%) of the business."

SECTION 6. In the instructions of the annual report forms, the Office of the Secretary of State and the Department of Revenue may include an explanation that status as a veteran-owned small business or service-disabled veteran-owned small business is being requested to assist the State in documenting the importance and impact of the State's military population in our communities and on our State and local economies. The Office of the Secretary of State shall submit the first annual report required by G.S. 55-16-22.2, 57D-2-25, and 59-84.5 to the Department of Military and Veterans Affairs no later than March 1, 2019.

SECTION 7. This act becomes effective January 1, 2018, and applies to annual reports filed by business entities on or after that date.

In the General Assembly read three times and ratified this the 27th day of June, 2017.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

s/ Roy Cooper
Governor

Approved 3:20 p.m. this 30th day of June, 2017