

[H.R. 1313, Service Disabled Veteran Owned Small Business Relief Act](#)

FLOOR SITUATION

On Monday, May 18, 2015, the House will consider [H.R. 1313](#), *the Service Disabled Owned Small Business Relief Act*, under suspension of the rules. H.R. 1313 was introduced on March 4, 2015, by Rep. Jerry McNerney (D-CA) and was referred to the Committee on Veterans' Affairs and its Subcommittee on Economic Opportunity, which forwarded it to the full Committee by voice vote on April 16, 2015.

SUMMARY

H.R. 1313 amends current law to allow a surviving spouse of a veteran who has a service-connected disability rating of 100 percent, *or* who dies as a result of a service-connected disability, to retain the veteran's small business status for up to 10 years following death.

The bill also allows the surviving spouse of a veteran who has a service-connected disability rating of less than 100 percent, who does not die as a result of such service-connected disability, to retain the veteran's small business status for up to three years following death.

Under current law, the retention of a veteran's small business status is limited to the spouses of veterans whose service-connected disability is rated at 100 percent and who die as a result of that disability.

The amendments take effect 180 days after enactment and apply with respect to contracts awarded on or after that date.

BACKGROUND

Under current law, a Service-Disabled Veteran Owned Small Business (SDVOSB) "must be at least 51 percent unconditionally and directly owned and controlled by one or more service-disabled veterans."¹

¹ See CRS Report—"[Set Asides for Small Businesses: Legal Requirements and Issues](#)," March 9, 2015 at 15.

When the veteran and small business owner passes away, the surviving family members and business owners are not guaranteed any time to transition away from SDVOSB status, putting the businesses in jeopardy of losing any federal contracts they might have. There were an estimated 500,000 SDVOSBs in the United States in 2014.²

COST

A cost estimate from the Congressional Budget Office (CBO) is currently unavailable.

STAFF CONTACT

For questions or further information please contact [Jerry White](#) with the House Republican Policy Committee by email or at 5-0190.

² See Press Release—“[Rep. McNerney Introduces Bill to Help Small Businesses Owned By Disabled Veterans](#),” March 10, 2015.