

Topic: Veteran, Woman, and Minor Owned Businesses

Question by: Andrew Lang

Jurisdiction: Indiana

Date: May 10, 2021

Jurisdiction	Question(s)
	<p>Quick "YES" or "NO" question: Does your state record/maintain in the corporate record a minority, woman, disadvantaged, or veteran owned business status?</p> <p>If "YES" how is the data collected and how is it utilized? I believe Colorado, Connecticut, and Utah collect this information to some degree and I would be interested to learn more about any positive impacts stemming from these efforts and those of other states.</p>
<b>Manitoba</b>	
<b>Corporations Canada</b>	At present, no we do not collect this information at Corporations Canada.
<b>Alabama</b>	
<b>Alaska</b>	
<b>Arizona</b>	
<b>Arkansas</b>	
<b>California</b>	
<b>Colorado</b>	
<b>Connecticut</b>	
<b>Delaware</b>	No for Delaware.
<b>District of Columbia</b>	
<b>Florida</b>	
<b>Georgia</b>	
<b>Hawaii</b>	In Hawaii, No.
<b>Idaho</b>	
<b>Illinois</b>	

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<b>Indiana</b>	
<b>Iowa</b>	
<b>Kansas</b>	
<b>Kentucky</b>	
<b>Louisiana</b>	At present, the answer is "NO" from Louisiana.--thank you
<b>Maine</b>	
<b>Maryland</b>	<p>Over the past two years, legislation has passed that requires our Department to collect some of this information. We have updated our Annual Report and database to collect the number of female board members for certain entities, and are working on updating it to collect race, ethnic, and diversity information for certain entities. Our main utilization of that data is to provide it to other more policy-focused state agencies, legislators, and interest groups for them to use.</p> <p>We have operational concerns about implementing this legislation since our Department doesn't track operating budgets, sales, whether an entity is private or public, the number of employees, etc. Here are the parameters for the female board membership requirement, which began in 2020:</p> <p>If the person submitting an Annual Report is a tax-exempt, domestic nonstock corporation with an operating budget exceeding \$5M, or a domestic stock corporation with total sales exceeding \$5M, they need to include the number of female board members and the total number of board members on the board of directors. This requirement does not apply to a privately held company if at least 75% of the company's shareholders are family members.</p>
<b>Massachusetts</b>	
<b>Michigan</b>	No for Michigan.
<b>Minnesota</b>	<p>Andrew - please attend our program on this subject Tuesday at the IACA Conference. The short answer is that Minnesota collects this information voluntarily and we have responses from hundreds of thousands of businesses. I think there is more of an interest generally in finding out what companies are doing? this goes with the ESG movement, which impacts state investments as well as other social - policy-related issues. We are trying to do this with our public benefit corporations? they are supposed to file an annual report in which they describe what they did to further the public good, in exchange for the privilege of having PBC status. Sometimes it works, sometimes it doesn't but the idea is transparency. The Corporate Transparency Act is a different offshoot of the same plant.</p>
<b>Mississippi</b>	

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<b>Missouri</b>	
<b>Montana</b>	
<b>Nebraska</b>	
<b>Nevada</b>	<p>Nevada does not collect this as part of the official record, but does offer the option to businesses to make these declarations in a survey. The survey results are used for statistical purposes only.</p>
<b>New Hampshire</b>	
<b>New Jersey</b>	
<b>New Mexico</b>	
<b>New York</b>	
<b>North Carolina</b>	<p>North Carolina collects as an optional question on the annual report veteran owned and/or disabled veteran owned businesses.</p> <p>We provide a report to the Department of Military and Veterans Affairs each spring for the previous year's annual report filings.</p>
<b>North Dakota</b>	NO - for North Dakota
<b>Ohio</b>	<p>Ohio - Yes - although self-reported/optional to provide with our office. We do get a high percentage of responses on this survey. We connect businesses to specific resources based on their answers. I am looking forward to the IACA session tomorrow at 2:45 pm to get ideas on how we can do more with this information.</p> <p>This is a link to our resources list: <a href="https://www.ohiosos.gov/businesses/business-resources/">https://www.ohiosos.gov/businesses/business-resources/</a></p>
<b>Oklahoma</b>	
<b>Oregon</b>	No for Oregon.
<b>Pennsylvania</b>	No for Pennsylvania.
<b>Rhode Island</b>	
<b>South Carolina</b>	
<b>South Dakota</b>	

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<b>Tennessee</b>	
<b>Texas</b>	<p>No with respect to minority-owned, woman-owned, and for other historically underutilized businesses.</p> <p>Yes to a very limited extent for certain new veteran-owned businesses.</p> <p>SOS maintains a subtype for entities known as "veteran-owned business." This subtype was developed in response to legislation that was passed in 2015 for entities formed from January 1, 2016-December 31, 2019. The legislation provided a franchise tax exemption and waived business entity filing fees for new businesses that were 100% owned by honorably discharged veterans. The tax exemption and fee waivers stayed in effect until the earlier of the 5th anniversary date of the entity's formation or the date the entity no longer qualifies for the exemption/waiver (entity is no longer 100% owned by veterans). The subtype was created to allow the filing system to identify those filings for which the fee waiver applied during the relevant time period. The provisions of that 2015 Act expired December 31, 2019. Consequently, while we still have existing entities that are classified and shown as a "veteran owned business", a veteran forming a business entity on and after January 1, 2020, does not enjoy the fee waiver provisions and is not classified as a veteran owned business for this limited purpose. Entities that were classified as a "veteran-owned business" no longer bear that identifier once the 5th anniversary date is reached or until SOS is notified that the business no longer qualifies.</p> <p>There is however a bill currently pending in the legislature that would re-introduce a similar franchise tax exemption and business entity filing fee waiver for newly created entities formed during the four year period between January 1, 2022 and December 31, 2025.</p>
<b>Utah</b>	
<b>Vermont</b>	
<b>Virginia</b>	
<b>Washington</b>	No - for Washington State. There is a separate agency that does the qualification and recording. (OMWBE)
<b>West Virginia</b>	WV- yes we collect it on their annual report, but it is optional, they can choose "decline to answer"
<b>Wisconsin</b>	No for Wisconsin.
<b>Wyoming</b>	No for Wyoming.

**Additional comments:**

**Full text of email:**

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