



HOUSE COMMITTEE ON
VETERANS' AFFAIRS
Chairman Phil Roe, M.D.

H.R. 5044: The Service-Disabled Veterans Small Business Continuation Act

Background:

The Veterans First program, enacted in 2006, gives Service-Disabled Veteran-Owned Small Businesses (SDVOSB) first priority to obtain VA contracts in the federal procurement marketplace. When a SDVOSB owner passes away, his or her spouse is permitted to inherit the business and retain the priority status under certain circumstances. Formerly, that was only possible if the veteran was rated 100% service-disabled. Unfortunately, current law contains conflicting language regarding a spouse's right to maintain their partner's SDVOSB status.

The Service-Disabled Veterans Small Business Continuation Act addresses conflicting language in prior laws to ensure that surviving spouses of less than 100% service-disabled veteran small business owners can retain their priority for three years following the servicemember's death, protecting widows and widowers from potentially catastrophic disruptions to their businesses during one of the most difficult times in their lives.

The Message:

- VA gives preference when awarding contracts to Service-Disabled Veteran-Owned Small Businesses.
- Current law contains conflicting language regarding a spouse's right to inherit their partner's veteran-owned small business.
- This legislation would ensure that surviving spouses of SDVOSB owners can retain priority of their small business for a period of time upon the passing of their veteran spouse if the spouse was rated less than 100% service-disabled.