

SB2657



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB2657

Introduced 5/6/2025, by Sen. Mike Porfirio

SYNOPSIS AS INTRODUCED:

30 ILCS 500/45-57

Amends the Illinois Procurement Code. Provides that the Commission on Equity and Inclusion shall, by rule, develop registration procedures to recognize, without additional evidence of eligibility, the certification of businesses that are certified by units of local government in the State as service-disabled veteran-owned small businesses or veteran-owned small businesses if those local government certifications are made in accordance with requirements and procedures that equal or exceed the requirements and procedures for State certification. Provides that units of local government in the State may recognize, without additional evidence of eligibility, the certification of service-disabled veteran-owned small businesses and veteran-owned small businesses that are certified as such by the Commission on Equity and Inclusion. Effective immediately.

LRB104 13448 HLH 25853 b

A BILL FOR

1 AN ACT concerning finance.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Procurement Code is amended by
5 changing Section 45-57 as follows:

6 (30 ILCS 500/45-57)

7 Sec. 45-57. Veterans.

8 (a) Set-aside goal. It is the goal of the State to promote
9 and encourage the continued economic development of small
10 businesses owned and controlled by qualified veterans and that
11 qualified service-disabled veteran-owned small businesses
12 (referred to as SDVOSB) and veteran-owned small businesses
13 (referred to as VOSB) participate in the State's procurement
14 process as both prime contractors and subcontractors. Not less
15 than 3% of the total dollar amount of State contracts, as
16 defined by the Commission on Equity and Inclusion, shall be
17 established as a goal to be awarded to SDVOSB and VOSB. That
18 portion of a contract under which the contractor subcontracts
19 with a SDVOSB or VOSB may be counted toward the goal of this
20 subsection. The Commission on Equity and Inclusion shall adopt
21 rules to implement compliance with this subsection by all
22 State agencies.

23 (b) Fiscal year reports. By each November 1, each chief

1 procurement officer shall report to the Commission on Equity
2 and Inclusion on all of the following for the immediately
3 preceding fiscal year, and by each March 1 the Commission on
4 Equity and Inclusion shall compile and report that information
5 to the General Assembly:

6 (1) The total number of VOSB, and the number of
7 SDVOSB, who submitted bids for contracts under this Code.

8 (2) The total number of VOSB, and the number of
9 SDVOSB, who entered into contracts with the State under
10 this Code and the total value of those contracts.

11 (b-5) The Commission on Equity and Inclusion shall submit
12 an annual report to the Governor and the General Assembly that
13 shall include the following:

14 (1) a year-by-year comparison of the number of
15 certifications the State has issued to veteran-owned small
16 businesses and service-disabled veteran-owned small
17 businesses;

18 (2) the obstacles, if any, the Commission on Equity
19 and Inclusion faces when certifying veteran-owned
20 businesses and possible rules or changes to rules to
21 address those issues;

22 (3) a year-by-year comparison of awarded contracts to
23 certified veteran-owned small businesses and
24 service-disabled veteran-owned small businesses; and

25 (4) any other information that the Commission on
26 Equity and Inclusion deems necessary to assist

1 veteran-owned small businesses and service-disabled
2 veteran-owned small businesses to become certified with
3 the State.

4 The Commission on Equity and Inclusion shall conduct a
5 minimum of 2 outreach events per year to ensure that
6 veteran-owned small businesses and service-disabled
7 veteran-owned small businesses know about the procurement
8 opportunities and certification requirements with the State.
9 The Commission on Equity and Inclusion may receive
10 appropriations for outreach.

11 (c) Yearly review and recommendations. Each year, each
12 chief procurement officer shall review the progress of all
13 State agencies under its jurisdiction in meeting the goal
14 described in subsection (a), with input from statewide
15 veterans' service organizations and from the business
16 community, including businesses owned by qualified veterans,
17 and shall make recommendations to be included in the
18 Commission on Equity and Inclusion's report to the General
19 Assembly regarding continuation, increases, or decreases of
20 the percentage goal. The recommendations shall be based upon
21 the number of businesses that are owned by qualified veterans
22 and on the continued need to encourage and promote businesses
23 owned by qualified veterans.

24 (d) Governor's recommendations. To assist the State in
25 reaching the goal described in subsection (a), the Governor
26 shall recommend to the General Assembly changes in programs to

1 assist businesses owned by qualified veterans.

2 (e) Definitions. As used in this Section:

3 "Armed forces of the United States" means the United
4 States Army, Navy, Air Force, Space Force, Marine Corps, Coast
5 Guard, or service in active duty as defined under 38 U.S.C.
6 Section 101. Service in the Merchant Marine that constitutes
7 active duty under Section 401 of federal Public Law Act 95-202
8 shall also be considered service in the armed forces for
9 purposes of this Section.

10 "Certification" means a determination made by the Illinois
11 Department of Veterans' Affairs and the Commission on Equity
12 and Inclusion that a business entity is a qualified
13 service-disabled veteran-owned small business or a qualified
14 veteran-owned small business for whatever purpose. A SDVOSB or
15 VOSB owned and controlled by women, minorities, or persons
16 with disabilities, as those terms are defined in Section 2 of
17 the Business Enterprise for Minorities, Women, and Persons
18 with Disabilities Act, may also select and designate whether
19 that business is to be certified as a "women-owned business",
20 "minority-owned business", or "business owned by a person with
21 a disability", as defined in Section 2 of the Business
22 Enterprise for Minorities, Women, and Persons with
23 Disabilities Act.

24 "Control" means the exclusive, ultimate, majority, or sole
25 control of the business, including but not limited to capital
26 investment and all other financial matters, property,

1 acquisitions, contract negotiations, legal matters,
2 officer-director-employee selection and comprehensive hiring,
3 operation responsibilities, cost-control matters, income and
4 dividend matters, financial transactions, and rights of other
5 shareholders or joint partners. Control shall be real,
6 substantial, and continuing, not pro forma. Control shall
7 include the power to direct or cause the direction of the
8 management and policies of the business and to make the
9 day-to-day as well as major decisions in matters of policy,
10 management, and operations. Control shall be exemplified by
11 possessing the requisite knowledge and expertise to run the
12 particular business, and control shall not include simple
13 majority or absentee ownership.

14 "Qualified service-disabled veteran" means a veteran who
15 has been found to have 10% or more service-connected
16 disability by the United States Department of Veterans Affairs
17 or the United States Department of Defense.

18 "Qualified service-disabled veteran-owned small business"
19 or "SDVOSB" means a small business (i) that is at least 51%
20 owned by one or more qualified service-disabled veterans
21 living in Illinois or, in the case of a corporation, at least
22 51% of the stock of which is owned by one or more qualified
23 service-disabled veterans living in Illinois; (ii) that has
24 its home office in Illinois; and (iii) for which items (i) and
25 (ii) are factually verified annually by the Commission on
26 Equity and Inclusion.

1 "Qualified veteran-owned small business" or "VOSB" means a
2 small business (i) that is at least 51% owned by one or more
3 qualified veterans living in Illinois or, in the case of a
4 corporation, at least 51% of the stock of which is owned by one
5 or more qualified veterans living in Illinois; (ii) that has
6 its home office in Illinois; and (iii) for which items (i) and
7 (ii) are factually verified annually by the Commission on
8 Equity and Inclusion.

9 "Service-connected disability" means a disability incurred
10 in the line of duty in the active military, naval, or air
11 service as described in 38 U.S.C. 101(16).

12 "Small business" means a business that has annual gross
13 sales of less than \$150,000,000 as evidenced by the federal
14 income tax return of the business. A firm with gross sales in
15 excess of this cap may apply to the Commission on Equity and
16 Inclusion for certification for a particular contract if the
17 firm can demonstrate that the contract would have significant
18 impact on SDVOSB or VOSB as suppliers or subcontractors or in
19 employment of veterans or service-disabled veterans.

20 "State agency" has the meaning provided in Section
21 1-15.100 of this Code.

22 "Time of hostilities with a foreign country" means any
23 period of time in the past, present, or future during which a
24 declaration of war by the United States Congress has been or is
25 in effect or during which an emergency condition has been or is
26 in effect that is recognized by the issuance of a Presidential

1 proclamation or a Presidential executive order and in which
2 the armed forces expeditionary medal or other campaign service
3 medals are awarded according to Presidential executive order.

4 "Veteran" means a person who (i) has been a member of the
5 armed forces of the United States or, while a citizen of the
6 United States, was a member of the armed forces of allies of
7 the United States in time of hostilities with a foreign
8 country and (ii) has served under one or more of the following
9 conditions: (a) the veteran served a total of at least 6
10 months; (b) the veteran served for the duration of hostilities
11 regardless of the length of the engagement; (c) the veteran
12 was discharged on the basis of hardship; or (d) the veteran was
13 released from active duty because of a service connected
14 disability and was discharged under honorable conditions.

15 (f) Certification program. The Illinois Department of
16 Veterans' Affairs and the Commission on Equity and Inclusion
17 shall work together to devise a certification procedure to
18 assure that businesses taking advantage of this Section are
19 legitimately classified as qualified service-disabled
20 veteran-owned small businesses or qualified veteran-owned
21 small businesses.

22 The Commission on Equity and Inclusion shall:

23 (1) compile and maintain a comprehensive list of
24 certified veteran-owned small businesses and
25 service-disabled veteran-owned small businesses;
26 (2) assist veteran-owned small businesses and

1 service-disabled veteran-owned small businesses in
2 complying with the procedures for bidding on State
3 contracts;

4 (3) provide training for State agencies regarding the
5 goal setting process and compliance with veteran-owned
6 small business and service-disabled veteran-owned small
7 business goals; and

8 (4) implement and maintain an electronic portal on the
9 Commission on Equity and Inclusion's website for the
10 purpose of completing and submitting veteran-owned small
11 business and service-disabled veteran-owned small business
12 certificates.

13 The Commission on Equity and Inclusion shall, by rule,
14 develop registration procedures to recognize, without
15 additional evidence of eligibility, the certification of
16 businesses that are certified by units of local government in
17 the State as service-disabled veteran-owned small businesses
18 or veteran-owned small businesses if those local government
19 certifications are made in accordance with requirements and
20 procedures that equal or exceed the requirements and
21 procedures for State certification set forth in this Section.
22 Any unit of local government in the State may, in its
23 discretion, recognize without additional evidence of
24 eligibility, the certification of service-disabled
25 veteran-owned small businesses and veteran-owned small
26 businesses that are certified by the Commission on Equity and

1 Inclusion.

2 The Commission on Equity and Inclusion, in consultation
3 with the Department of Veterans' Affairs, may develop programs
4 and agreements to encourage cities, counties, towns,
5 townships, and other certifying entities to adopt uniform
6 certification procedures and certification recognition
7 programs.

8 (f-5) A business shall be certified by the Commission on
9 Equity and Inclusion as a service-disabled veteran-owned small
10 business or a veteran-owned small business for purposes of
11 this Section if the Commission on Equity and Inclusion
12 determines that the business has been certified as a
13 service-disabled veteran-owned small business or a
14 veteran-owned small business by the Vets First Verification
15 Program of the United States Department of Veterans Affairs,
16 and the business has provided to the Commission on Equity and
17 Inclusion the following:

18 (1) documentation showing certification as a
19 service-disabled veteran-owned small business or a
20 veteran-owned small business by the Vets First
21 Verification Program of the United States Department of
22 Veterans Affairs;

23 (2) proof that the business has its home office in
24 Illinois; and

25 (3) proof that the qualified veterans or qualified
26 service-disabled veterans live in the State of Illinois.

1 The policies of the Commission on Equity and Inclusion
2 regarding recognition of the Vets First Verification Program
3 of the United States Department of Veterans Affairs shall be
4 reviewed annually by the Commission on Equity and Inclusion,
5 and recognition of service-disabled veteran-owned small
6 businesses and veteran-owned small businesses certified by the
7 Vets First Verification Program of the United States
8 Department of Veterans Affairs may be discontinued by the
9 Commission on Equity and Inclusion by rule upon a finding that
10 the certification standards of the Vets First Verification
11 Program of the United States Department of Veterans Affairs do
12 not meet the certification requirements established by the
13 Commission on Equity and Inclusion.

14 (g) Penalties.

15 (1) Administrative penalties. The chief procurement
16 officers appointed pursuant to Section 10-20 shall suspend
17 any person who commits a violation of Section 17-10.3 or
18 subsection (d) of Section 33E-6 of the Criminal Code of
19 2012 relating to this Section from bidding on, or
20 participating as a contractor, subcontractor, or supplier
21 in, any State contract or project for a period of not less
22 than 3 years, and, if the person is certified as a
23 service-disabled veteran-owned small business or a
24 veteran-owned small business, then the Commission on
25 Equity and Inclusion shall revoke the business's
26 certification for a period of not less than 3 years. An

1 additional or subsequent violation shall extend the
2 periods of suspension and revocation for a period of not
3 less than 5 years. The suspension and revocation shall
4 apply to the principals of the business and any subsequent
5 business formed or financed by, or affiliated with, those
6 principals.

7 (2) Reports of violations. Each State agency shall
8 report any alleged violation of Section 17-10.3 or
9 subsection (d) of Section 33E-6 of the Criminal Code of
10 2012 relating to this Section to the chief procurement
11 officers appointed pursuant to Section 10-20. The chief
12 procurement officers appointed pursuant to Section 10-20
13 shall subsequently report all such alleged violations to
14 the Attorney General, who shall determine whether to bring
15 a civil action against any person for the violation.

16 (3) List of suspended persons. The chief procurement
17 officers appointed pursuant to Section 10-20 shall monitor
18 the status of all reported violations of Section 17-10.3
19 or subsection (d) of Section 33E-6 of the Criminal Code of
20 1961 or the Criminal Code of 2012 relating to this Section
21 and shall maintain and make available to all State
22 agencies a central listing of all persons that committed
23 violations resulting in suspension.

24 (4) Use of suspended persons. During the period of a
25 person's suspension under paragraph (1) of this
26 subsection, a State agency shall not enter into any

1 contract with that person or with any contractor using the
2 services of that person as a subcontractor.

3 (5) Duty to check list. Each State agency shall check
4 the central listing provided by the chief procurement
5 officers appointed pursuant to Section 10-20 under
6 paragraph (3) of this subsection to verify that a person
7 being awarded a contract by that State agency, or to be
8 used as a subcontractor or supplier on a contract being
9 awarded by that State agency, is not under suspension
10 pursuant to paragraph (1) of this subsection.

11 (h) On and after November 30, 2021 (the effective date of
12 Public Act 102-671) ~~this amendatory Act of the 102nd General~~
13 ~~Assembly~~, all powers, duties, rights, and responsibilities of
14 the Department of Central Management Services with respect to
15 the requirements of this Section are transferred to the
16 Commission on Equity and Inclusion.

17 All books, records, papers, documents, property (real and
18 personal), contracts, causes of action, and pending business
19 pertaining to the powers, duties, rights, and responsibilities
20 transferred by Public Act 102-671 ~~this amendatory Act~~ from the
21 Department of Central Management Services to the Commission on
22 Equity and Inclusion, including, but not limited to, material
23 in electronic or magnetic format and necessary computer
24 hardware and software, shall be transferred to the Commission
25 on Equity and Inclusion.

26 The powers, duties, rights, and responsibilities

1 transferred from the Department of Central Management Services
2 by this amendatory Act shall be vested in and shall be
3 exercised by the Commission on Equity and Inclusion.

4 Whenever reports or notices are now required to be made or
5 given or papers or documents furnished or served by any person
6 to or upon the Department of Central Management Services in
7 connection with any of the powers, duties, rights, and
8 responsibilities transferred by Public Act 102-671 ~~this~~
9 ~~amendatory Act~~, the same shall be made, given, furnished, or
10 served in the same manner to or upon the Commission on Equity
11 and Inclusion.

12 Public Act 102-671 ~~This amendatory Act of the 102nd~~
13 ~~General Assembly~~ does not affect any act done, ratified, or
14 canceled or any right occurring or established or any action
15 or proceeding had or commenced in an administrative, civil, or
16 criminal cause by the Department of Central Management
17 Services before this amendatory Act takes effect; such actions
18 or proceedings may be prosecuted and continued by the
19 Commission on Equity and Inclusion.

20 Any rules of the Department of Central Management Services
21 that relate to its powers, duties, rights, and
22 responsibilities under this Section and are in full force on
23 the effective date of Public Act 102-671 ~~this amendatory Act~~
24 ~~of the 102nd General Assembly~~ shall become the rules of the
25 Commission on Equity and Inclusion. Public Act 102-671 ~~This~~
26 ~~amendatory Act~~ does not affect the legality of any such rules

1 in the Illinois Administrative Code. Any proposed rules filed
2 with the Secretary of State by the Department of Central
3 Management Services that are pending in the rulemaking process
4 on November 30, 2021 ~~the effective date of this amendatory Act~~
5 and pertain to the powers, duties, rights, and
6 responsibilities transferred, shall be deemed to have been
7 filed by the Commission on Equity and Inclusion. As soon as
8 practicable hereafter, the Commission on Equity and Inclusion
9 shall revise and clarify the rules transferred to it under
10 Public Act 102-671 ~~this amendatory Act~~ to reflect the
11 reorganization of powers, duties, rights, and responsibilities
12 affected by Public Act 102-671 ~~this amendatory Act~~, using the
13 procedures for recodification of rules available under the
14 Illinois Administrative Procedure Act, except that existing
15 title, part, and section numbering for the affected rules may
16 be retained. The Commission on Equity and Inclusion may
17 propose and adopt under the Illinois Administrative Procedure
18 Act such other rules of the Department of Central Management
19 Services that will now be administered by the Commission on
20 Equity and Inclusion.

21 (Source: P.A. 102-166, eff. 7-26-21; 102-671, eff. 11-30-21;
22 103-570, eff. 1-1-24; 103-746, eff. 1-1-25; revised 11-22-24.)

23 Section 99. Effective date. This Act takes effect upon
24 becoming law.