

Veterans Small Business Enhancement Act of 2018, Public Law No. 115-416

Adding Veteran-Owned Small Businesses as Eligible Recipients of Surplus Property

Frequently Asked Questions (FAQs)

Updated: January 24, 2020

SBA Seeks Comments for Proposed Rule Allowing Veteran-Owned Small Businesses Access to Surplus Federal Personal Property

SBA is seeking comments on a [proposed rule](#), published in the Federal Register (85 FR 3273), that would allow veteran-owned small businesses verified by the [U.S. Department of Veterans Affairs Center for Verification and Evaluation](#) (VA CVE), including companies located in Puerto Rico and disaster areas, access to property no longer needed by the federal government. The SBA, in coordination with the GSA, is proposing certain procedures for determining which firms may participate in the GSA surplus personal property program, and under what conditions.

Comments must be submitted on or before March 23, 2020, to www.regulations.gov, identified by Regulation Identifier Number RIN 3245-AH18. You may also mail comments to Brenda Fernandez, Office of Policy, Planning and Liaison, 409 Third Street, SW, 8th Floor, Washington, D.C. 20416.

1. What is the Veterans Small Business Enhancement Act of 2018?

On April 16, 2018, the Veterans Small Business Enhancement Act of 2018, (S.2679), was introduced to amend the Small Business Act directing the SBA to give access to and manage the distribution of U.S.-owned surplus property, pursuant to a memorandum of agreement between the SBA, the General Services Administration (GSA), and the head of the state agency for surplus properties, to small businesses owned and controlled by veterans. On January 3, 2019, President Trump signed the bill into law (Public Law No. 115-416).

2. What is the Federal Surplus Personal Property Donation Program?

The U.S. General Services Administration's (GSA) Federal Surplus Personal Property Donation Program enables certain nonfederal organizations to obtain personal property that the federal government no longer needs. Surplus personal property includes all types and categories of personal property except 1) Land or other real property; 2) Certain naval vessels; and 3) Records of the federal government.

GSA plays a central role in the process of reusing and disposing of excess property that the federal government no longer needs; the GSA administered program makes excess federal property, such as vehicles, computers, office equipment, tools, heavy construction equipment, and any property not considered "real property", available to non-profit organizations.

3. Who is eligible to benefit from GSA's Federal Surplus Personal Property Donation Program?

Only state and local government agencies and public organizations carrying out certain activities qualify to receive surplus federal property. Small businesses are for-profit organizations and do not fall under 40 U.S.C. § 549, which regulates the federal surplus property program. However, through the program's partnership with SBA's 8(a) Business Development Program, minority-owned small business owners have participated in the federal surplus property program since 1999. Public Law No. 115-416 adds veteran-owned small businesses (VOSBs) who are verified by [VA CVE](#) as an eligible category to receive federal surplus personal property.

4. When can VOSBs begin to obtain federal surplus personal property?

Veteran-owned small businesses may begin to receive surplus property once memorandums of understandings (MOUs) are implemented at the state level. MOUs are expected to be signed once the rulemaking process concludes (estimated timeframe Spring 2020).

5. What is the cost?

State agencies for Surplus Property (SASP) coordinate with the federal program for the donation of federal surplus property to public, tax-supported entities and eligible private nonprofit tax-exempt organizations. Most SASPs operate on a self-sustaining basis and may require recipients to pay a service charge to cover handling, transportation, and administrative expenses, which may be partly based on percentages of the value of the property.

6. Why do VOSBs have to wait until the rulemaking process concludes to receive this benefit?

For Public Law No. 115-416 to be implemented it will be required to undergo the rulemaking process. SBA is currently working with GSA, the U.S. Department of Veterans Affairs, and the various state agencies to implement the new law. The first step in this process is drafting and publishing proposed regulations that will be open for public comment. Comments received will help create the rules implementing the statute and will set the overall framework for how the program will work. The implementation also needs to provide oversight and control mechanisms to ensure the integrity of the program. SBA is working with GSA and the U.S. Office of Management and Budget (OMB) to publish proposed regulations for the program. After receiving public input SBA will draft and publish final rules. Once final rules are published, SBA, GSA, and the various states and territories will enter into agreements to execute the program.

7. In the meantime, how can VOSBs find out more information about the Program?

Toward the end of the rulemaking process, SBA, GSA, and VA will provide guidance on how the program works so that VOSBs will have the knowledge they need to acquire surplus property when the Program regulations become effective.

VOSBs that are interested in participating may contact their State Agency for Surplus Property (SASP) to express interest and request updates on the implementation of this newly passed law. You can find contact information for your SASP at the [National Association of State Agencies for Surplus Property](#).

GSA publishes information about government property for sale or disposal on their website at: <https://www.gsa.gov/buying-selling/government-property-for-sale-or-disposal>