



## Legislation Text

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File #: 27047, Version: 1

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### Fiscal Note

No significant fiscal impact is anticipated.

### Title

Creating Section 39.02(9)(a)12. of the Madison General Ordinances to expand the definition of Small Business Enterprise.

### Body

DRAFTER'S ANALYSIS: Under Sec. 39.02, MGO, the City's Affirmative Action ordinance, the City has a Small Business Enterprise (SBE) program which encourages City contractors to use smaller businesses. The ordinance contains no definition of the size of an SBE, but the adopted program has a definition limited to entities with gross revenues of \$750,000 or less. This very low threshold has kept many businesses from qualifying for Madison's program, including a number of small businesses owned by women and minorities. This amendment increases the threshold to gross revenues of \$4.0 million and personal net worth of \$1.32 million. This will make many more businesses eligible for the City's SBE program. The levels used in this amendment are modeled on federal SBA definitions.

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The Common Council of the City of Madison do hereby ordain as follows:

Paragraph 12. entitled "Small Business Enterprise (SBE)" of Subdivision (a) entitled "Definitions" of Subsection (9) entitled "Contract Compliance Provisions" of Section 39.02 entitled "Affirmative Action Ordinance" of the Madison General Ordinances is created to read as follows:

"12. Small Business Enterprise (SBE). A small business enterprise is an independent and bona fide business concern, in good standing with the State of Wisconsin if such registration is required for the business concern, that has averaged no more than four million dollars (\$4.0 million) in annual gross receipts over the prior three- (3) year period, and the principal owner(s) of which does not have a personal net worth in excess of one million three hundred twenty thousand dollars (\$1.32 million)."