

**CITY OF BALTIMORE  
COUNCIL BILL 19-0452  
(First Reader)**

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Introduced by: Councilmembers Henry, Dorsey, Cohen, Clarke, Burnett

Introduced and read first time: October 7, 2019

Assigned to: Labor Committee

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REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Minority and Women’s Business Opportunity Office, Baltimore Development Corporation, Department of Finance

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A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Employee-Owned Businesses – Reporting**

3 FOR the purpose of requiring the Director of Finance to provide annual reports to the Mayor and  
4 the City Council regarding certain Baltimore City employee-owned businesses; defining  
5 certain terms; and specifying the contents of the required reports.

6 BY adding

7 Article 5 - Finance, Property, and Procurement  
8 Section(s) 14-1 to 14-5, to be under the new subtitle,  
9 “Subtitle 14. Employee-Owned Businesses”  
10 Baltimore City Code  
11 (Edition 2000)

12 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE,** That the  
13 Laws of Baltimore City read as follows:

14 **Baltimore City Code**

15 **Article 5. Finance, Property, and Procurement**

16 **SUBTITLE 14. EMPLOYEE-OWNED BUSINESSES**

17 **§ 14-1. DEFINITIONS.**

18 (A) *IN GENERAL.*

19 IN THIS SUBTITLE, THE FOLLOWING TERMS HAVE THE MEANINGS INDICATED.

20 (B) *DIRECTOR.*

21 “DIRECTOR” MEANS THE DIRECTOR OF THE DEPARTMENT OF FINANCE OR THE  
22 DIRECTOR’S DESIGNEE.

EXPLANATION: CAPITALS indicate matter added to existing law.  
[Brackets] indicate matter deleted from existing law.

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1 (C) *EMPLOYEE-OWNED BUSINESS.*

2 “EMPLOYEE-OWNED BUSINESS” MEANS A BUSINESS IN WHICH:

3 (1) THE BUSINESS’S EMPLOYEES ARE REPRESENTED ON THE BOARD OF DIRECTORS AND  
4 THE BUSINESS’S EMPLOYEES CONTROL THE MAJORITY OF THE VOTING STOCK; OR

5 (2) THE TRUSTEES ARE ELECTED BY THE BUSINESS’S EMPLOYEES, IF THE BUSINESS IS  
6 HELD IN TRUST THAT CONTROLS THE MAJORITY OF THE VOTING STOCK.

7 **§ 14-2. DIRECTOR OF FINANCE TO REPORT.**

8 (A) *IN GENERAL.*

9 NO LATER THAN 3 MONTHS AFTER THE END OF EACH FISCAL YEAR, THE DIRECTOR SHALL  
10 SUBMIT A REPORT TO THE MAYOR AND THE CITY COUNCIL REGARDING EMPLOYEE-OWNED  
11 BUSINESSES IN BALTIMORE CITY AND SHALL INCLUDE THE INFORMATION REQUIRED BY  
12 THIS SUBTITLE.

13 (B) *BUSINESS INPUT.*

14 TO THE EXTENT PRACTICABLE, IN PREPARING THE REPORT REQUIRED UNDER BY THIS  
15 SUBTITLE, THE DIRECTOR MAY CONSULT WITH EMPLOYEE-OWNED BUSINESSES IN  
16 BALTIMORE CITY TO PROVIDE NECESSARY BACKGROUND AND ADVICE.

17 (C) *IDENTIFICATION OF EMPLOYEE-OWNED BUSINESSES.*

18 INFORMATION IN THE REPORT REQUIRED BY THIS SUBTITLE SHALL BE LIMITED TO ONLY  
19 THOSE EMPLOYEE-OWNED BUSINESSES THAT HAVE IDENTIFIED THEMSELVES TO THE CITY  
20 AS BEING AN EMPLOYEE-OWNED BUSINESS.

21 **§ 14-3 REPORTING REQUIREMENT: CITY CONTRACTS AWARDED TO EMPLOYEE-OWNED**  
22 **BUSINESSES.**

23 IN CONSULTATION WITH THE CHIEF PURCHASING AGENT AND WITH THE COOPERATION OF ALL  
24 CITY AGENCIES, THE DIRECTOR SHALL INCLUDE IN THE REPORT REQUIRED BY THIS SUBTITLE  
25 THE FOLLOWING INFORMATION FOR THE PREVIOUS FISCAL YEAR:

26 (1) THE NUMBER AND TOTAL DOLLAR VALUE OF ALL CITY CONTRACTS AWARDED TO  
27 EMPLOYEE-OWNED BUSINESSES, DISAGGREGATED BY CITY AGENCY AND TYPE OF  
28 BUSINESS;

29 (2) THE NUMBER AND TOTAL DOLLAR VALUE OF ALL CITY CONTRACTS, DISAGGREGATED  
30 BY CITY AGENCY AND TYPE OF BUSINESS; AND

31 (3) OF ALL CITY CONTRACTS, THE PERCENTAGE OF CITY CONTRACTS AWARDED TO  
32 EMPLOYEE-OWNED BUSINESSES, DISAGGREGATED BY CITY AGENCY AND TYPE OF  
33 BUSINESS.

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**§ 14-4. REPORTING REQUIREMENT: CITY ASSISTANCE TO EMPLOYEE-OWNED BUSINESSES.**

(A) *ASSISTANCE DEFINED.*

IN THIS SECTION, “ASSISTANCE” MEANS:

- (1) ANY FINANCIAL ASSISTANCE FROM ANY CITY AGENCY OR THE BALTIMORE DEVELOPMENT CORPORATION INCLUDING A GRANT, A LOAN, TAX-INCREMENT FINANCING, OR PAYMENTS IN LIEU OF TAXES; OR
- (2) CERTIFICATION UNDER SUBTITLE 28 OF THIS ARTICLE AS A MINORITY BUSINESS ENTERPRISE, A WOMEN’S BUSINESS ENTERPRISE, OR A SMALL LOCAL BUSINESS ENTERPRISE.

(B) *IN GENERAL.*

THE DIRECTOR, IN CONSULTATION WITH THE CHIEF PURCHASING AGENT, THE CHIEF OF THE MINORITY AND WOMEN’S BUSINESS OPPORTUNITY OFFICE, AND THE CHIEF EXECUTIVE OFFICER OF THE BALTIMORE DEVELOPMENT CORPORATION, SHALL INCLUDE IN THE REPORT REQUIRED BY THIS SUBTITLE THE FOLLOWING INFORMATION FOR THE PREVIOUS FISCAL YEAR:

- (1) THE NUMBER OF EMPLOYEE-OWNED BUSINESSES THAT APPLIED FOR ASSISTANCE;
- (2) THE NUMBER OF EMPLOYEE-OWNED BUSINESSES ACTUALLY PROVIDED ASSISTANCE, A DESCRIPTION OF WHAT THAT ASSISTANCE WAS, AND, IF KNOWN, HOW THE ASSISTANCE WAS UTILIZED BY THE BUSINESS; AND
- (3) A DESCRIPTION OF THE EMPLOYEE-OWNED BUSINESSES THAT APPLIED FOR AND WERE ACTUALLY PROVIDED WITH ASSISTANCE, SUCH AS TYPE OF BUSINESS AND LOCATION WITHIN THE CITY.

**§ 14-5. REPORTING REQUIREMENT: ASSESSMENTS; LEGISLATIVE OR POLICY RECOMMENDATIONS.**

THE DIRECTOR, IN CONSULTATION WITH THE CHIEF PURCHASING AGENT, SHALL INCLUDE IN THE REPORT REQUIRED BY THIS SUBTITLE:

- (1) AN ASSESSMENT OF THE DIFFICULTIES OR OBSTACLES THAT EMPLOYEE-OWNED BUSINESSES ENCOUNTER WHEN COMPETING FOR CITY CONTRACTS; AND
- (2) LEGISLATIVE OR POLICY PROPOSALS TO LESSEN THE EFFECTS OF THE DIFFICULTIES AND OBSTACLES AND TO ENHANCE THE ABILITY OF EMPLOYEE-OWNED BUSINESSES TO COMPETE FOR AND OBTAIN CITY CONTRACTS.

**SECTION 2. AND BE IT FURTHER ORDAINED,** That the catchlines contained in this Ordinance are not law and may not be considered to have been enacted as a part of this or any prior Ordinance.

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1       **SECTION 3. AND BE IT FURTHER ORDAINED,** That this Ordinance takes effect on the 30<sup>th</sup> day  
2 after the date it is enacted.