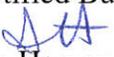




MEMORANDUM

TO: Certified Business Enterprises
FROM:  Ana Harvey, Director, Department of Small and Local Business Development
DATE: July 29, 2015
SUBJECT: Special Notice

The Fiscal Year 2016 Budget Support Emergency Act of 2015 (“FY16 BSEA”) was enacted July 27, 2015. The FY16 BSEA made significant amendments to the Small and Certified Business Enterprise Development and Assistance Act of 2005 (“CBE Law”). The amendments to the CBE Law potentially affecting Certified Business Enterprises and private developers are listed below:

1. Section 2-218.31(2A), which set forth some of the requirements for Local Business Enterprise (“LBE”) certification, was amended to read as follows:

“(2A) Beginning June 10, 2014, can demonstrate one of the following:

- (A) More than 50% of the employees of the business enterprise are residents in the District;*
- (B) The owners of more than 50% of the business enterprise are residents of the District;*
- (C) More than 50% of the assets of the business enterprise, excluding bank accounts, are located in the District; or*
- (D) More than 50% of the business enterprise’s gross receipts are District gross receipts; and”*

The significance of this amendment is that now a business seeking certification may meet the LBE requirements by demonstrating that either more than 50% of the business’s assets are located in the District, or more than 50% of the business’s gross receipts are District gross receipts. Prior to this amendment, the CBE Law combined sub-sections (C) and (D) above, requiring a business to prove that more than 50% of its assets were located in the District and that more than 50% of the businesses gross receipts were District gross receipts. This amendment is retroactive to June 10, 2014. DSLBD will contact all applicants affected by the new LBE requirements and automatically change an applicant’s LBE status, if necessary.

2. Section 2-218.75, which established the Small Business Micro Loan Fund was amended as follows:

- The Small Business Micro Loan Fund was renamed the Small Business Capital Access Fund;

- Eligible recipients of Small Business Capital Access Funds now include businesses that are eligible to be certified as Small Business Enterprises (“SBEs”) or Disadvantaged Business Enterprises (“DBEs”). Prior to this amendment, only entities already certified as SBEs or DBEs were eligible to receive funds pursuant to this section.

This amendment expands the universe of potential recipients by eliminating the requirement that the business be certified by DSLBD. Please note that the law states that preference for financial assistance shall go to certified SBEs, DBEs and Resident Owned Businesses (“ROBs”).

If you have any questions related to this notice please contact DSLBD’s Certification Division at cbe.feedback@dc.gov.