

# New York City Recognizes LGBT-Owned Businesses as Minority-Owned Businesses — Here Are the Details

Damon W. Suden, Cristina Ferretti

January 27, 2021

New York City [now recognizes](#) LGBT-owned businesses as minority-owned businesses, which will give LGBT-owned businesses an opportunity to compete for billions of dollars of government contract opportunity. This new designation was announced on Tuesday, January 19, 2021, by [New York City's Department of Small Business Services \(SBS\)](#) in partnership with the [National LGBT Chamber of Commerce \(NGLCC\)](#). Kelley Drye is a longtime National Legal Partner of the NGLCC, and is proud to stand with the NGLCC as it continues to promote its LGBT initiative in business inclusion throughout the public sector.

According to the NGLCC, SBS has approved a measure to include NGLCC Certified LGBT Business Enterprise (Certified LGBTBE®) suppliers in public contract and procurement opportunities throughout the city. The SBS, in partnership with the NGLCC, will fast-track LGBT-owned businesses into New York City certification programs, including the [Minority and Women-owned Business Enterprise \(M/WBE\)](#) and [Emerging Business Enterprise \(EBE\)](#) Programs.

The M/WBE Program aims to increase New York City contracting opportunities and involvement among certified M/WBE businesses. The SBS states that New York City spends up to \$17 billion per year on goods and services. Certification allows businesses to compete for contracting opportunities and access growth-encouraging programs.

Certification programs were previously open only to minority and women-owned businesses, in addition to socially and historically disadvantaged individuals. As a result of this designation, LGBT-owned businesses certified with the NGLCC will now have access to the same opportunities as minority-owned businesses. LGBT-owned businesses will also be eligible for scholarship programs, mentorship and leadership training, and other business development tools to help foster business growth.

## The M/WBE Program

In 2005, New York City Mayor Michael Bloomberg signed Local Law 129, which established participation goals for minority and women-owned business on City contracts. N.Y.C. Admin. Code §§ 6-129 (Lexis 2020). SBS reports that Local Law 129 helped to increase the number of M/WBE businesses certified to participate in the City's program from 700 to more than 3,500, with certified businesses winning more than \$3 billion in City contracts.

Local Law 1 of 2013 encourages New York City agencies to buy more goods and services from

certified businesses. The City's certification programs promote the growth of the City's M/WBEs and other eligible businesses. The NYC Mayor's Office of Contract Services explains that the M/WBE Program was created to help alleviate the disparity between City contract awards to specific ethnic and gender groups and address the representation of those groups within the local New York City market.

Recognizing LGBT-owned businesses as minority-owned businesses is an administrative policy change directed by Mayor de Blasio and SBS. There is a bill currently pending in the City Council that would codify this policy into a legally binding data collection, study, and tracking mechanism that will strengthen LGBTBE inclusion throughout City contracting services. Specifically, the bill proposes to require SBS to certify LGBT-owned businesses, administer programs for such business as may be established by law, and publish a directory of such businesses.

## How to Get Certified

Getting certified allows LGBT-owned businesses to compete for City contracts, and certification is the first step in making New York City aware that a business is LGBT-owned. LGBT-owned businesses that want to take advantage of the new program need to [get certification from the NGLCC](#) and [register with the SBS database](#).

---

We are excited to bring this new change in the law to the attention of our clients. Please reach out with any questions as you navigate the certification and M/WBE process. Kelley Drye also has a robust [Government Contracts](#) practice group with extensive experience advising clients on a host of compliance and other related issues you may encounter in doing business with the government.