

ORDINANCE NO. 056, 2007
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AMENDING CERTAIN SECTIONS OF THE CODE OF THE CITY OF FORT COLLINS
RELATING TO CORPORATE LIABILITY AND INDIVIDUAL LIABILITY
FOR CORPORATE CONDUCT

WHEREAS, under the current provisions of Section 1-20 of the City Code, a business entity's accountability for behavior that violates the Code is dependent upon whether the entity is a "corporation"; and

WHEREAS, the term "corporation" is not defined in the Code; and

WHEREAS, City staff believes that Section 1-20 of the Code should be amended to clarify that when the requisite criteria contained in Section 1-20 have been satisfied, a business entity should be held accountable for the conduct of its officers, employees and agents, whether or not the entity is a corporation; and

WHEREAS, Council finds the proposed amendments to the Code on this subject are in the best interest of the City and promote the public health, safety and welfare of the citizens of the City of Fort Collins.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That Section 1-20 of the Code of the City of Fort Collins is hereby amended to read as follows:

Sec. 1-20. Liability of business entity.

(a) A business entity is guilty of an offense or liable for an infraction described in this Code if:

- (1) The conduct constituting the offense or infraction consists of a failure to discharge a specific duty of affirmative performance imposed on such entity by law; or
- (2) The conduct constituting the offense or infraction is engaged in, authorized, solicited, requested, commanded or knowingly tolerated by the board of directors or by a managerial agent acting within the scope of his or her employment or on behalf of such entity.

(b) As used in this Section, *agent* means any partner, director, officer or employee of a business entity, or any other person who is authorized to act on behalf of the entity. *Managerial agent* means an agent who is in a position to formulate

policy for the entity or who supervises any employees or contractors of the entity.

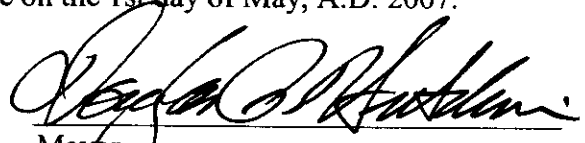
(c) *Business entity* or *entity* means any corporation, association, firm, joint venture, estate, trust, business trust, syndicate, partnership, body politic and corporate or any other group or combination of persons or entities.

Section 3. That Section 1-21 of the Code of the City of Fort Collins is hereby amended to read as follows:

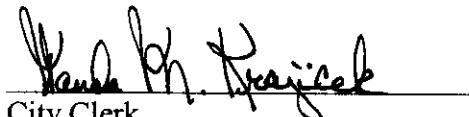
Sec. 1-21. Liability of an individual for corporate conduct.

A person is guilty of conduct constituting an offense or liable for conduct constituting an infraction described in this Code if he or she engages in such conduct or causes such conduct to occur in the name of or in behalf of a business entity to the same extent as if that conduct were performed or caused by him or her in his or her own name or on his or her own behalf.

Introduced, considered favorably on first reading, and ordered published this 17th day of April, A.D. 2007, and to be presented for final passage on the 1st day of May, A.D. 2007.


Mayor

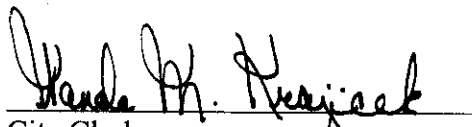
ATTEST:


City Clerk

Passed and adopted on final reading on the 1st day of May, A.D. 2007.


Mayor

ATTEST:


City Clerk