

4878

2013-2014 Regular Sessions

I N S E N A T E

April 29, 2013

Introduced by Sen. SQUADRON -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the New York state urban development corporation act, in relation to requiring the small business revolving loan fund to issue a certain percentage of its remaining principal or further appropriations to micro loans and micro seed loans

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Subdivision 3 of section 16-t of section 1 of chapter 174
2 of the laws of 1968, constituting the New York state urban development
3 corporation act, as amended by section 1 of part II of chapter 59 of the
4 laws of 2013, is amended to read as follows:
5 3. Program loans to small businesses shall be targeted and marketed to
6 minority and women-owned enterprises and other small businesses that are
7 having difficulty accessing traditional credit markets. Program loans to
8 small businesses shall be used for the creation and retention of jobs,
9 as defined by the corporation, including: (a) working capital; (b) the
10 acquisition and/or improvement of real property; (c) the acquisition of
11 machinery and equipment, property or improvement; or (d) the refinancing
12 of debt obligations. There shall be [two] THREE categories of loans to
13 small businesses: A MICRO SEED LOAN THAT SHALL HAVE A PRINCIPAL AMOUNT
14 LESS THAN FIVE THOUSAND DOLLARS; a micro loan that shall have a princi-
15 pal amount [that is] NOT LESS THAN FIVE THOUSAND DOLLARS AND less than
16 twenty-five thousand dollars; and a regular loan that shall have a prin-
17 cipal amount not less than twenty-five thousand dollars. Minority- and
18 women-owned business enterprises and other small businesses who access
19 such program loans under this subdivision shall not be precluded from
20 accessing such short-term financing loans provided under subdivision
21 eleven of this section THE CORPORATION SHALL PROVIDE THAT NOT LESS THAN
22 FIFTEEN PERCENT OF ANY REMAINING PRINCIPAL OR FURTHER APPROPRIATION OF

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [] is old law to be omitted.

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1 THE FUND ON OR AFTER JULY FIRST, TWO THOUSAND THIRTEEN IS SET ASIDE FOR
2 MICRO LOANS. FURTHERMORE THE CORPORATION SHALL PROVIDE THAT NOT LESS
3 THAN FIVE PERCENT OF ANY REMAINING PRINCIPAL OR FURTHER APPROPRIATION OF
4 THE FUND ON OR AFTER JULY FIRST, TWO THOUSAND THIRTEEN IS SET ASIDE FOR
5 MICRO SEED LOANS. IN YEARS AFTER JULY FIRST, TWO THOUSAND THIRTEEN, WHEN
6 THERE IS NO REMAINING PRINCIPAL OR THERE IS NO ADDITIONAL APPROPRIATION,
7 NOT LESS THAN FIFTEEN PERCENT OF ANY GENERATED REVENUE SHALL BE SET
8 ASIDE FOR MICRO LOANS. FURTHERMORE IN YEARS AFTER JULY FIRST, TWO THOU-
9 SAND THIRTEEN, WHEN THERE IS NO REMAINING PRINCIPAL OR THERE IS NO ADDI-
10 TIONAL APPROPRIATION, NOT LESS THAN FIVE PERCENT OF ANY GENERATED REVEN-
11 UE SHALL BE SET ASIDE FOR MICRO SEED LOANS. Prior to receiving program
12 funds, the lending organization must certify to the corporation that
13 such loan complies with this section and rules and regulations promul-
14 gated for the program and that the lending organization has performed
15 its obligations pursuant to and is in compliance with this section, the
16 program rules and regulations and all agreements entered into between
17 the corporation and the lending organization. The program funds amount
18 used by the lending organization to fund a program applicant loan shall
19 not be more than fifty percent of the principal amount of such loan. The
20 program funds amount used by the lending organization to fund a program
21 applicant loan shall not be greater than one hundred [and] twenty-five
22 thousand dollars.

23 S 2. This act shall take effect immediately.