

4878--A

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 -- recommitted to the Committee on Corporations, Authorities and Commissions in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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. THE CORPO-
18 RATION SHALL PROVIDE THAT NOT LESS THAN FIFTEEN PERCENT OF ANY REMAINING
19 PRINCIPAL OR FURTHER APPROPRIATION OF THE FUND ON OR AFTER JULY FIRST,

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

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1 TWO THOUSAND FOURTEEN IS SET ASIDE FOR MICRO LOANS. FURTHERMORE THE
2 CORPORATION SHALL PROVIDE THAT NOT LESS THAN FIVE PERCENT OF ANY REMAIN-
3 ING PRINCIPAL OR FURTHER APPROPRIATION OF THE FUND ON OR AFTER JULY
4 FIRST, TWO THOUSAND FOURTEEN IS SET ASIDE FOR MICRO SEED LOANS. IN YEARS
5 AFTER JULY FIRST, TWO THOUSAND FOURTEEN, WHEN THERE IS NO REMAINING
6 PRINCIPAL OR THERE IS NO ADDITIONAL APPROPRIATION, NOT LESS THAN FIFTEEN
7 PERCENT OF ANY GENERATED REVENUE SHALL BE SET ASIDE FOR MICRO LOANS.
8 FURTHERMORE IN YEARS AFTER JULY FIRST, TWO THOUSAND FOURTEEN, WHEN THERE
9 IS NO REMAINING PRINCIPAL OR THERE IS NO ADDITIONAL APPROPRIATION, NOT
10 LESS THAN FIVE PERCENT OF ANY GENERATED REVENUE SHALL BE SET ASIDE FOR
11 MICRO SEED LOANS. Prior to receiving program funds, the lending organ-
12 ization must certify to the corporation that such loan complies with
13 this section and rules and regulations promulgated for the program and
14 that the lending organization has performed its obligations pursuant to
15 and is in compliance with this section, the program rules and regu-
16 lations and all agreements entered into between the corporation and the
17 lending organization. The program funds amount used by the lending
18 organization to fund a program applicant loan shall not be more than
19 fifty percent of the principal amount of such loan. The program funds
20 amount used by the lending organization to fund a program applicant loan
21 shall not be greater than one hundred [and] twenty-five thousand
22 dollars. Minority- and women-owned business enterprises and other small
23 businesses who access such program loans under this subdivision shall
24 not be precluded from accessing such short-term financing loans provided
25 under subdivision eleven of this section.

26 S 2. This act shall take effect immediately.