

1117

2011-2012 Regular Sessions

I N   A S S E M B L Y

(PREFILED)

January 5, 2011

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Introduced by M. of A. BING, BROOK-KRASNY, GUNTHER, HOYT, JAFFEE, PERRY, ROBINSON, ROSENTHAL, LAVINE, TITONE, CLARK, JEFFRIES, COOK, CAMARA, CASTRO -- Multi-Sponsored by -- M. of A. ABBATE, BOYLAND, COLTON, CYMBROWITZ, GALEF, HOOPER, V. LOPEZ, LUPARDO, MAYERSOHN, PEOPLES-STOKES, PHEFFER, J. RIVERA, SWEENEY, TOWNS, WEISENBERG, WRIGHT -- read once and referred to the Committee on Economic Development, Job Creation, Commerce and Industry

AN ACT to amend the economic development law, in relation to microenterprise development; and making an appropriation therefor

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

1     Section 1. Short title. This act shall be known and may be cited as  
2     the "microenterprise development act".  
3     S 2. Legislative findings and purpose. (a) The legislature finds as  
4     follows:  
5     1. Development and expansion of businesses in economically distressed  
6     communities in both rural and urban areas can assist residents who are  
7     unemployed, underemployed or in low-income jobs.  
8     2. Microenterprises provide a means for unemployed, underemployed or  
9     low-income individuals to find and sustain productive work, and they  
10    provide opportunities for economically distressed communities to thrive.  
11    3. Low-income microentrepreneurs lack access to capital, training and  
12    technical assistance. Many low-income microentrepreneurs need lending  
13    services and technical assistance to start, operate or expand their  
14    businesses.  
15    4. Local microenterprise support organizations have demonstrated cost-  
16    effective delivery methods for providing lending services and technical  
17    assistance.

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

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1 5. Charitable foundation support, federal program funding and private  
2 sector support can be leveraged by a statewide program for development  
3 of microenterprises.

4 (b) The purpose of this act is to strengthen the state economy and  
5 enable low-income residents to become self-sufficient by encouraging  
6 microenterprise development.

7 S 3. The economic development law is amended by adding a new article  
8 9-B to read as follows:

9 ARTICLE 9-B

10 MICROENTERPRISE DEVELOPMENT

11 SECTION 217. MICROENTERPRISE DEVELOPMENT.

12 S 217. MICROENTERPRISE DEVELOPMENT. (A) AS USED IN THIS SECTION, THE  
13 FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

14 1. "COMMISSIONER" MEANS THE COMMISSIONER OF THE DEPARTMENT OF ECONOMIC  
15 DEVELOPMENT.

16 2. "MICROENTERPRISE" MEANS A SOLE PROPRIETORSHIP, PARTNERSHIP, OR  
17 CORPORATION THAT HAS FEWER THAN FOUR EMPLOYEES AND GENERALLY LACKS  
18 ACCESS TO CONVENTIONAL LOANS, EQUITY, OR OTHER BANKING SERVICES.

19 3. "MICROENTERPRISE DEVELOPMENT ORGANIZATION" OR "MICROENTERPRISE  
20 DEVELOPMENT PROGRAM" MEANS A NONPROFIT ENTITY OR A PROGRAM ADMINISTERED  
21 BY SUCH AN ENTITY, INCLUDING COMMUNITY DEVELOPMENT CORPORATIONS OR OTHER  
22 NONPROFIT DEVELOPMENT ORGANIZATIONS AND SOCIAL SERVICE ORGANIZATIONS,  
23 THAT PROVIDES SERVICES TO LOW-INCOME MICROENTERPRISES.

24 4. "TRAINING AND TECHNICAL ASSISTANCE" MEANS SERVICES AND SUPPORT  
25 PROVIDED TO LOW-INCOME OWNERS AND OPERATORS OF MICROENTERPRISES, SUCH AS  
26 ASSISTANCE FOR THE PURPOSE OF ENHANCING BUSINESS PLANNING, MARKETING  
27 MANAGEMENT, FINANCIAL MANAGEMENT SKILLS, AND ASSISTANCE FOR THE PURPOSE  
28 OF ACCESSING FINANCIAL SERVICES.

29 5. "LOW-INCOME PERSON" MEANS A PERSON WITH INCOME ADJUSTED FOR FAMILY  
30 SIZE THAT DOES NOT EXCEED:

31 A. FOR METROPOLITAN AREAS, EIGHTY PERCENT OF MEDIAN INCOME; OR

32 B. FOR NONMETROPOLITAN AREAS, THE GREATER OF EIGHTY PERCENT OF THE  
33 AREA MEDIAN INCOME OR EIGHTY PERCENT OF THE STATEWIDE NONMETROPOLITAN  
34 AREA MEDIAN INCOME.

35 (B) 1. THE COMMISSIONER SHALL ESTABLISH A MICROENTERPRISE TECHNICAL  
36 ASSISTANCE AND CAPACITY BUILDING GRANT PROGRAM, WHICH SHALL RECEIVE AN  
37 ANNUAL APPROPRIATION FROM THE LEGISLATURE OF NO LESS THAN ONE MILLION  
38 DOLLARS, TO PROVIDE ASSISTANCE IN THE FORM OF GRANTS TO MICROENTERPRISE  
39 DEVELOPMENT ORGANIZATIONS.

40 2. A MICROENTERPRISE DEVELOPMENT ORGANIZATION SHALL USE GRANTS MADE  
41 UNDER THIS PROGRAM TO PROVIDE TRAINING AND TECHNICAL ASSISTANCE TO LOW-  
42 INCOME ENTREPRENEURS OPERATING MICROENTERPRISES.

43 3. THE COMMISSIONER SHALL ENSURE THAT NOT LESS THAN FIFTY PERCENT OF  
44 THE FUNDS MADE AVAILABLE ARE USED TO BENEFIT PERSONS WHOSE INCOME,  
45 ADJUSTED FOR FAMILY SIZE, IS NOT MORE THAN ONE HUNDRED FIFTY PERCENT OF  
46 THE POVERTY LINE AS DEFINED IN 42 U.S.C. 9902(2).

47 4. A MICROENTERPRISE DEVELOPMENT ORGANIZATION MUST PROVIDE AT LEAST  
48 ONE DOLLAR IN MATCHING FUNDS FOR EVERY DOLLAR OF STATE FINANCIAL ASSIST-  
49 ANCE. FEES, GRANTS, AND GIFTS FROM PUBLIC OR PRIVATE SOURCES MAY BE USED  
50 TO COMPLY WITH THE MATCHING FUNDS REQUIREMENT.

51 5. THE COMMISSIONER SHALL ESTABLISH BY REGULATION SUCH REQUIREMENTS AS  
52 MAY BE NECESSARY TO CARRY OUT THE PROVISIONS OF THIS SECTION.

53 S 4. The sum of one million five hundred thousand dollars  
54 (\$1,500,000), or so much thereof as may be necessary, is hereby appro-  
55 priated to the department of economic development out of any moneys in  
56 the state treasury in the general fund to the credit of the state

1 purposes account, not otherwise appropriated, and made immediately  
2 available, for the purpose of carrying out the provisions of this act.  
3 Such moneys shall be payable on the audit and warrant of the comptroller  
4 on vouchers certified or approved by the commissioner of economic devel-  
5 opment, or his or her designee, in the manner prescribed by law.  
6 S 5. This act shall take effect on the first of July next succeeding  
7 the date on which it shall have become a law.