S T A T E O F N E W Y O R K

2248

2013-2014 Regular Sessions

I N A S S E M B L Y

(PREFILED)

January 9, 2013

Introduced by M. of A. QUART, ROSENTHAL, GIBSON, GUNTHER, BRINDISI, BOYLAND, CASTRO, LAVINE, JAFFEE, TITUS, LUPARDO, WEPRIN, HOOPER -- Multi-Sponsored by -- M. of A. BRENNAN, SIMANOWITZ, TITONE -- read once and referred to the Committee on Economic Development

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:

Section 1. Short title. This act shall be known and may be cited as the "microenterprise development act".

S 2. Legislative findings and purpose. (a) The legislature finds as follows:

1. Development and expansion of businesses in economically distressed communities in both rural and urban areas can assist residents who are unemployed, underemployed or in low-income jobs.

2. Microenterprises provide a means for unemployed, underemployed or low-income individuals to find and sustain productive work, and they provide opportunities for economically distressed communities to thrive.

3. Low-income microentrepreneurs lack access to capital, training and technical assistance. Many low-income microentrepreneurs need lending services and technical assistance to start, operate or expand their businesses.

4. Local microenterprise support organizations have demonstrated cost-effective delivery methods for providing lending services and technical assistance.

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

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

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

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

ARTICLE 9-B

MICROENTERPRISE DEVELOPMENT

SECTION 217. MICROENTERPRISE DEVELOPMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

S 4. The sum of one million five hundred thousand dollars ($1,500,000), or so much thereof as may be necessary, is hereby appropriated to the department of economic development out of any moneys in the state treasury in the general fund to the credit of the state purposes account, not otherwise appropriated, and made immediately available, for the purpose of carrying out the provisions of this act. Such moneys shall be payable on the audit and warrant of the comptroller

on vouchers certified or approved by the commissioner of economic development, or his or her designee, in the manner prescribed by law.

S 5. This act shall take effect on the first of July next succeeding the date on which it shall have become a law.