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I N   A S S E M B L Y

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Introduced by M. of A. QUART, BLAKE, JOYNER, COLTON, MOSLEY, ROBINSON, RODRIGUEZ -- Multi-Sponsored by -- M. of A. BRENNAN, BRINDISI, GUNTHER, HOOPER, JAFFEE, KEARNS, LAVINE, LUPARDO, ROSENTHAL, SCHIMEL, SEAWRIGHT, SIMANOWITZ, TITONE, TITUS, WEPRIN -- read once and referred to the Committee on Economic Development -- reference changed to the Committee on Small Business -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- advanced to a third reading, amended and ordered reprinted, retaining its place on the order of third reading

AN ACT to amend the economic development law, in relation to microenterprise development

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 are important elements of New York's economy and  
9     play an essential role in job creation, entrepreneurial skill develop-  
10    ment, and enhancing the ability of low-income households to become self-  
11    sufficient. Microenterprises provide a means for unemployed, underem-  
12    ployed or low-income individuals to find and sustain productive work,  
13    and they provide opportunities for economically distressed communities  
14    to thrive.  
15    3. Microentrepreneurs, especially those with low incomes, often do not  
16    have access to commercial credit because of lack of business experience  
17    or training, collateral to secure business loans, or lack of history of  
18    business records to demonstrate their loan repayment potential.

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

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1 4. Local community-based microenterprise support organizations have  
2 demonstrated cost-effective delivery methods for providing financial,  
3 business, and technical assistance, including microloans, mentoring,  
4 physical space and other essential services to microenterprises.

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

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

11 S 3. The economic development law is amended by adding a new article  
12 9-B to read as follows:

13 ARTICLE 9-B

14 MICROENTERPRISE DEVELOPMENT

15 SECTION 217. MICROENTERPRISE DEVELOPMENT.

16 S 217. MICROENTERPRISE DEVELOPMENT. (A) THERE IS HEREBY ESTABLISHED A  
17 MICROENTERPRISE DEVELOPMENT PROGRAM UNDER THE PURVIEW OF THE DEPARTMENT  
18 OF ECONOMIC DEVELOPMENT. SUCH PROGRAM SHALL PROVIDE MICROENTERPRISES  
19 WITH FINANCIAL, BUSINESS, OR TECHNICAL ASSISTANCE, INCLUDING, BUT NOT  
20 LIMITED TO, ACCESS TO FINANCING, MENTORING, TRAINING OR ACQUIRING PHYS-  
21 ICAL SPACE.

22 (B) AS USED IN THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE  
23 FOLLOWING MEANINGS:

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

26 2. "MICROENTERPRISE" MEANS ANY BUSINESS, WHETHER NEW OR EXISTING, THAT  
27 IS A SOLE PROPRIETORSHIP, PARTNERSHIP, OR CORPORATION WHICH HAS FIVE OR  
28 LESS EMPLOYEES.

29 3. "MICROENTERPRISE DEVELOPMENT ORGANIZATION" MEANS A COMMUNITY-BASED  
30 ORGANIZATION, OR SOCIAL SERVICE ORGANIZATION, OR OTHER NONPROFIT ENTITY  
31 THAT HAS DEVELOPED A PROGRAM TO PROVIDE MICROENTERPRISES WITH FINANCIAL,  
32 BUSINESS, OR TECHNICAL ASSISTANCE, INCLUDING, BUT NOT LIMITED TO, ACCESS  
33 TO FINANCING, MENTORING, TRAINING, OR ACQUIRING PHYSICAL SPACE.

34 4. "TRAINING AND TECHNICAL ASSISTANCE" MEANS SERVICES AND SUPPORT  
35 PROVIDED TO MICROENTERPRISES, ESPECIALLY THOSE THAT ARE LOW-INCOME  
36 OWNERS, FOR ENHANCING BUSINESS PLANNING, MARKETING MANAGEMENT, AND  
37 IMPROVING FINANCIAL MANAGEMENT SKILLS, FOR THE PURPOSE OF ACCESSING  
38 FINANCIAL SERVICES, SUCH AS LOANS, MICROLOANS AND GRANTS.

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

41 A. FOR METROPOLITAN AREAS, EIGHTY PERCENT OF MEDIAN INCOME OF THE  
42 METROPOLITAN AREA; OR

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

46 (C) 1. THE COMMISSIONER IS AUTHORIZED TO ESTABLISH A MICROENTERPRISE  
47 TECHNICAL ASSISTANCE AND CAPACITY BUILDING GRANT PROGRAM TO PROVIDE  
48 ASSISTANCE IN THE FORM OF GRANTS OF UP TO FIVE THOUSAND DOLLARS TO  
49 MICROENTERPRISE DEVELOPMENT ORGANIZATIONS TO USE AS PROVIDED IN THIS  
50 SUBDIVISION FROM AVAILABLE APPROPRIATIONS.

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

54 3. THE COMMISSIONER SHALL ENSURE THAT NOT LESS THAN FIFTY PERCENT OF  
55 THE FUNDS MADE AVAILABLE ARE USED TO BENEFIT PERSONS WHOSE INCOME,

1 ADJUSTED FOR FAMILY SIZE, IS NOT MORE THAN ONE HUNDRED FIFTY PERCENT OF  
2 THE POVERTY LINE AS DEFINED IN 42 U.S.C. 9902(2).

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

7 5. THE COMMISSIONER SHALL ASSIST MICROENTERPRISES TO ACCESS EXISTING  
8 GRANTS, LOANS, AND OTHER PROGRAMS AND SERVICES CURRENTLY AVAILABLE FROM  
9 ANY STATE ENTITY. FURTHER, THE COMMISSIONER SHALL ACTIVELY SEEK TO  
10 ENCOURAGE PRIVATE FINANCIAL INSTITUTIONS TO MAKE LOANS TO MICROENTER-  
11 PRISES.

12 S 4. Rules and regulations. The commissioner of economic development  
13 is authorized to promulgate rules and regulations in accordance with the  
14 state administrative procedure act that are necessary to fulfill the  
15 purposes of this act. Such rules and regulations shall be completed  
16 within one hundred eighty days after the effective date of this act.

17 S 5. This act shall take effect July 1, 2017.