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

6621

2015-2016 Regular Sessions

I N A S S E M B L Y

March 27, 2015

Introduced by M. of A. KIM -- read once and referred to the Committee on Small Business

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:

Section 1. Subdivision 3 of section 16-t of section 1 of chapter 174 of the laws of 1968, constituting the New York state urban development corporation act, as amended by section 1 of part II of chapter 59 of the laws of 2013, is amended to read as follows:

3. Program loans to small businesses shall be targeted and marketed to minority and women-owned enterprises and other small businesses that are having difficulty accessing traditional credit markets. Program loans to small businesses shall be used for the creation and retention of jobs, as defined by the corporation, including: (a) working capital; (b) the acquisition and/or improvement of real property; (c) the acquisition of machinery and equipment, property or improvement; or (d) the refinancing of debt obligations. There shall be [two] THREE categories of loans to small businesses: A MICRO SEED LOAN THAT SHALL HAVE A PRINCIPAL AMOUNT LESS THAN FIVE THOUSAND DOLLARS; a micro loan that shall have a principal amount [that is] NOT LESS THAN FIVE THOUSAND DOLLARS AND less than twenty-five thousand dollars; and a regular loan that shall have a principal amount not less than twenty-five thousand dollars. THE CORPORATION SHALL PROVIDE THAT NOT LESS THAN FIFTEEN PERCENT OF ANY REMAINING PRINCIPAL, INTEREST, OR FURTHER APPROPRIATION OF THE FUND ON OR AFTER JULY FIRST, TWO THOUSAND SIXTEEN IS SET ASIDE FOR MICRO LOANS. FURTHERMORE THE CORPORATION SHALL PROVIDE THAT NOT LESS THAN FIVE PERCENT OF ANY REMAINING PRINCIPAL, INTEREST, OR FURTHER APPROPRIATION OF THE FUND ON OR AFTER JULY FIRST, TWO THOUSAND SIXTEEN IS SET ASIDE FOR MICRO SEED

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

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LOANS. THE REMAINING PRINCIPAL, INTEREST, OR FURTHER APPROPRIATION SHALL BE USED FOR MICRO SEED LOANS, MICRO LOANS, OR REGULAR LOANS, OR FOR ASSOCIATED SERVICES AND EXPENSES. IN YEARS AFTER JULY FIRST, TWO THOUSAND SIXTEEN, WHEN THERE IS NO REMAINING PRINCIPAL OR THERE IS NO ADDITIONAL APPROPRIATION, NOT LESS THAN FIFTEEN PERCENT OF ANY GENERATED INTEREST SHALL BE SET ASIDE FOR MICRO LOANS. FURTHERMORE IN YEARS AFTER JULY FIRST, TWO THOUSAND SIXTEEN, WHEN THERE IS NO REMAINING PRINCIPAL OR THERE IS NO ADDITIONAL APPROPRIATION, NOT LESS THAN FIVE PERCENT OF ANY GENERATED INTEREST SHALL BE SET ASIDE FOR MICRO SEED LOANS. THE REMAINING INTEREST SHALL BE USED FOR MICRO SEED LOANS, MICRO LOANS, OR REGULAR LOANS, OR FOR ASSOCIATED SERVICES AND EXPENSES. Prior to receiving program funds, the lending organization must certify to the corporation that such loan complies with this section and rules and regulations promulgated for the program and that the lending organization has performed its obligations pursuant to and is in compliance with this section, the program rules and regulations and all agreements entered into between the corporation and the lending organization. The program funds amount used by the lending organization to fund a program applicant loan shall not be more than fifty percent of the principal amount of such loan. The program funds amount used by the lending organization to fund a program applicant loan shall not be greater than one hundred [and] twenty-five thousand dollars. Minority- and women-owned business enterprises and other small businesses who access such program loans under this subdivision shall not be precluded from accessing such short-term financing loans provided under subdivision eleven of this section.

S 2. This act shall take effect immediately.