

579--A

2015-2016 Regular Sessions

I N S E N A T E

(PREFILED)

January 7, 2015

Introduced by Sens. SQUADRON, COMRIE -- 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

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

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

32 S 2. This act shall take effect immediately.