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

6096

2015-2016 Regular Sessions

I N  S E N A T E

December 14, 2015

Introduced by Sen. ADDABBO -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the New York state urban development corporation act, in relation to requiring the small business revolving loan fund to target and market to veteran-owned enterprises and service disabled veteran-owned enterprises

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, VETERAN-OWNED ENTERPRISES AS SET FORTH IN 15 U.S.C. SECTION 632(Q)(3), AS AMENDED FROM TIME TO TIME, AND SERVICE DISABLED VETERAN-OWNED ENTERPRISES AS SET FORTH IN ARTICLE SEVENTEEN-B OF THE EXECUTIVE LAW, 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 categories of loans to small businesses: a micro loan that shall have a principal amount that is less than twenty-five thousand dollars and a regular loan that shall have a principal amount not less than twenty-five thousand dollars. 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

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

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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, VETERAN-OWNED ENTERPRISES AS SET FORTH IN 15 U.S.C. SECTION 632(Q)(3), AS AMENDED FROM TIME TO TIME, AND SERVICE DISABLED VETERAN-OWNED ENTERPRISES AS SET FORTH IN ARTICLE SEVENTEEN-B OF THE EXECUTIVE LAW, 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.