

STATE OF NEW YORK

7930

2017-2018 Regular Sessions

IN ASSEMBLY

May 19, 2017

Introduced by M. of A. DenDEKKER -- read once and referred to the
Committee on Economic Development

AN ACT to amend the New York state urban development corporation act and
the economic development law, in relation to establishing a certified
service-disabled veteran-owned business enterprise development and
lending program

The People of the State of New York, represented in Senate and Assem-
bly, do enact as follows:

1 Section 1. Section 1 of chapter 174 of the laws of 1968 constituting
2 the New York state urban development corporation act is amended by
3 adding a new section 16-c-1 to read as follows:

4 § 16-c-1. Certified service-disabled veteran-owned business enterprise
5 development and lending program. (1) Certified service-disabled veter-
6 an-owned business enterprise development and lending program. (a) There
7 is hereby created a certified service-disabled veteran-owned business
8 enterprise development and lending program for the purpose of providing
9 financial and technical assistance to certified service-disabled veter-
10 an-owned business enterprises.

11 (b) For the purposes of this section the following words or terms
12 shall mean as follows:

13 (i) "certified service-disabled veteran-owned business enterprise"
14 shall mean a business enterprise, certified pursuant to article seven-
15 teen-B of the executive law.

16 (ii) "incubator" shall mean a facility providing low-cost space, tech-
17 nical assistance and support services, including, but not limited to,
18 central services shared by tenants of the facility, to certified
19 service-disabled veteran-owned business enterprises.

20 (c) Assistance shall not be provided under this section for:

21 (i) the purchase or rehabilitation of real property for speculative
22 purposes;

23 (ii) payment of any tax or employee benefit arrearage;

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

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1 (iii) residential construction, renovation or development
2 construction, except for assistance to certified service-disabled veter-
3 an-owned business enterprise contractors under subdivision four of this
4 section;

5 (iv) educational institutions and proprietary education firms, except
6 licensed child care facilities;

7 (v) hospitals or residential health care facilities;

8 (vi) overnight lodging facilities;

9 (vii) refinancing of debt or equity invested in an enterprise or
10 project.

11 (d) The corporation is authorized to:

12 (i) establish programs in conjunction with locally and community-based
13 entities to decentralize lending for small loans and loans to start up
14 certified service-disabled veteran-owned business enterprises;

15 (ii) establish a comprehensive program for certified service-disabled
16 veteran-owned business enterprises, which may include assistance through
17 loans, bonding assistance and technical assistance;

18 (iii) establish a program to provide loans to established certified
19 service-disabled veteran-owned business enterprises including loans to
20 such businesses seeking to acquire or expand a franchise;

21 (iv) provide loan guarantees to financial institutions and make linked
22 deposits into federally and state chartered credit unions for the
23 purpose of encouraging private financial institutions to make loans to
24 certified service-disabled veteran-owned business enterprises;

25 (v) establish a program to create incubators to assist small and high
26 risk certified service-disabled veteran-owned business enterprises to
27 grow and prosper;

28 (vi) promote equity investment in certified service-disabled veteran-
29 owned business enterprises;

30 (vii) establish a comprehensive technical assistance program in coop-
31 eration with the department of economic development to assist certified
32 service-disabled veteran-owned business enterprises; and

33 (viii) notwithstanding any provision of law to the contrary, establish
34 a certified service-disabled veteran-owned business enterprise invest-
35 ment fund to provide critical financial support to foster the develop-
36 ment of new and emerging ideas and products of certified service-dis-
37 abled veteran-owned business enterprises as well as to promote the
38 long-term financial performance and success of early stage enterprises
39 that are certified service-disabled veteran-owned business enterprise
40 start-ups. The selection of an eligible applicant and beneficiary compa-
41 nies for the certified service-disabled veteran-owned business enter-
42 prise investment fund shall be selected by the process established
43 pursuant to subdivisions two, three, and four of section sixteen-u of
44 this act. Certified service-disabled veteran-owned business enterprises
45 who participate in such certified service-disabled veteran-owned busi-
46 ness enterprise investment fund under this subdivision shall not be
47 precluded from qualifying for any other assistance, grant or loan made
48 available from the state.

49 (2) Certified service-disabled veteran-owned business enterprise
50 revolving loan trust fund. For the purpose of establishing programs in
51 conjunction with locally and community based entities to decentralize
52 lending for small loans and loans to start up certified service-disabled
53 veteran-owned business enterprises, the corporation shall establish
54 certified service-disabled veteran-owned business enterprise revolving
55 loan trust fund accounts and related administrative expenses trust fund
56 accounts.

1 (a) Each certified service-disabled veteran-owned business enterprise
2 revolving loan trust fund account shall be administered by one or more
3 of the following types of entities that provide services to community
4 businesses and have as one of their primary purposes the provision of
5 services and assistance to certified service-disabled veteran-owned
6 business enterprises:

7 (i) empire zone capital corporations established pursuant to section
8 nine hundred sixty-four of the general municipal law;

9 (ii) community-based local development corporations or industrial
10 development agencies that serve a municipality in which an empire zone
11 has been established pursuant to article eighteen-B of the general
12 municipal law and have as their primary purpose assistance to certified
13 service-disabled veteran-owned business enterprises located or to be
14 located in such empire zone; or

15 (iii) local and community development corporations, industrial devel-
16 opment agencies, or other not-for-profit entities, representative of the
17 community.

18 (b) To be eligible to administer a certified service-disabled veter-
19 an-owned business enterprise revolving loan trust fund account, the
20 entity must also:

21 (i) have staff with sufficient expertise to analyze applications for
22 financial assistance, to regularly monitor financial assistance to
23 clients, and to provide management or technical assistance to clients;
24 and

25 (ii) have established a loan committee composed of six or more persons
26 experienced in business management, commercial lending or in the opera-
27 tion of a for-profit business, at least one-half of whom shall be expe-
28 rienced in commercial lending, and at least one-quarter of whom shall be
29 service-disabled veterans as defined in article seventeen-B of the exec-
30 utive law. Such loan committee shall review every application, determine
31 the feasibility of the proposed project and the likelihood of repayment
32 of the requested financing and shall recommend to the governing body of
33 the entity such action on the application as the loan committee deems
34 appropriate. The corporation shall identify entities eligible to admin-
35 ister the certified service-disabled veteran-owned business enterprise
36 revolving loan trust fund accounts through a competitive statewide
37 request for proposal process.

38 (c) Any entity selected to administer a certified service-disabled
39 veteran-owned business enterprise revolving loan trust fund account
40 shall be eligible to draw funds from the account as needed to provide
41 the following types of financial assistance to certified service-disa-
42 bled veteran-owned business enterprises upon certification to and
43 acceptance by the corporation that such assistance complies with rules
44 and regulations promulgated by the corporation:

45 (i) working capital loans, provided that the amount of the loan does
46 not exceed thirty-five thousand dollars and the term of the loan does
47 not exceed five years; and

48 (ii) loans for the acquisition and/or improvement of real property and
49 for the acquisition of machinery and equipment provided that the amount
50 of the loan does not exceed fifty thousand dollars and the term of the
51 loan does not exceed the useful life of the equipment or property.

52 (d) (i) Notwithstanding any provision of law to the contrary, the
53 corporation may establish an administrative expenses trust fund account
54 for the benefit of each entity selected to administer a certified
55 service-disabled veteran-owned business enterprise revolving loan trust
56 fund account. The initial deposit of funds to an administrative expenses

1 trust fund account shall be an amount determined by the corporation but
2 shall not exceed twenty-five thousand dollars.

3 (ii) An entity selected to administer a certified service-disabled
4 veteran-owned business enterprise revolving loan trust fund account may
5 use the funds in the administrative expenses trust fund account for
6 costs incurred by it in the start-up and administration of the financial
7 assistance program authorized pursuant to this subdivision.

8 (iii) The corporation shall deposit into each administrative expenses
9 trust fund account:

10 (A) all income earned from the moneys on deposit in the corresponding
11 certified service-disabled veteran-owned business enterprise revolving
12 loan trust fund account during the first year of the entity's adminis-
13 tration of said account; and

14 (B) beginning with its second year in administering a certified
15 service-disabled veteran-owned business enterprise revolving loan trust
16 fund account, said amounts may be used for costs incurred by the entity
17 in administering the certified service-disabled veteran-owned business
18 enterprise revolving loan trust fund account; and

19 (C) repayments of interest on loans made from the corresponding certi-
20 fied service-disabled veteran-owned business enterprise revolving loan
21 trust fund account.

22 (iv) Funds from the administrative expenses trust fund account may be
23 used for costs incurred at any time by an administering entity in its
24 administration of a certified service-disabled veteran-owned business
25 enterprise revolving loan trust fund account pursuant to this section.

26 (v) Funds deposited in an administrative expenses trust fund account
27 shall be disbursed by the corporation to the entity that administers the
28 corresponding certified service-disabled veteran-owned business enter-
29 prise revolving loan trust fund account on a periodic basis and shall be
30 expended by the entity in accordance with an annual budget and any
31 updates of same, approved by the corporation.

32 (e) Any entity selected to administer a certified service-disabled
33 veteran-owned business enterprise revolving loan trust fund account
34 shall pay to the corporation for deposit any repayments received in
35 connection with financial assistance provided from its account. Payments
36 consisting of the repayment of the principal amount of a loan shall be
37 deposited by the corporation into the certified service-disabled veter-
38 an-owned business enterprise revolving loan trust fund account from
39 which the loan was made. The interest earned by the corporation from the
40 investment of moneys in each certified service-disabled veteran-owned
41 business enterprise revolving loan trust fund account during and after
42 the second year of a selected entity's administration of said account
43 shall be deposited by the corporation into the corresponding certified
44 service-disabled veteran-owned business enterprise revolving loan trust
45 fund account and used to provide the financial assistance to certified
46 service-disabled veteran-owned business enterprises as authorized pursu-
47 ant to this section.

48 (f) The provisions of subdivisions eight, nine, fourteen, fifteen,
49 sixteen, seventeen, eighteen and nineteen of section sixteen-a of this
50 act pertaining to the regional revolving loan trust fund shall also be
51 applicable to the certified service-disabled veteran-owned business
52 enterprise revolving loan trust fund, provided that: where the term
53 "regional corporation" appears therein it shall be interpreted to mean
54 an entity selected to administer a certified service-disabled veteran-
55 owned business enterprise revolving loan trust fund account, and
56 "regional revolving loans trust fund" shall mean a certified service-

1 disabled veteran-owned business enterprise revolving loan trust fund,
2 and where the term "this section" appears therein it shall mean this
3 section.

4 (g) The corporation may provide funds from an appropriation for the
5 certified service-disabled veteran-owned business enterprise development
6 and lending program to any entity selected to administer a certified
7 service-disabled veteran-owned business enterprise revolving loan trust
8 fund for the purposes of recapitalizing such account and the entity's
9 corresponding administrative expenses trust fund account following an
10 evaluation by the corporation of the entity's administration and use of
11 such accounts.

12 (h) Notwithstanding any provision of law to the contrary, the corpo-
13 ration shall establish a certified service-disabled veteran-owned busi-
14 ness enterprise revolving loan trust fund to pay into such fund any
15 moneys made available to the corporation for such fund from any source,
16 including moneys appropriated by the state and any income earned by, or
17 increment to, the account due to the investment thereof, or any repay-
18 ment of moneys advanced from the fund. The corporation shall not commin-
19 gle the moneys of such fund with any moneys held in trust by the corpo-
20 ration, except for investment purposes.

21 (3) Micro-loan program. (a) For the purposes of this subdivision
22 "micro-loan" shall mean a loan of under seven thousand five hundred
23 dollars.

24 (b) The corporation shall, pursuant to requests for proposals, enter
25 into agreements for other types of locally, regionally or community-ad-
26 ministered loan programs than those set forth in subdivision two of this
27 section, including micro-loan programs to be administered by local
28 development corporations, local industrial development organizations,
29 municipalities and not-for-profit organizations, to provide micro-loans
30 to small and high risk certified service-disabled veteran-owned business
31 enterprises located within their respective service areas, provided that
32 loan review committees are established by such administering entity,
33 including service-disabled veterans, as defined in article seventeen-B
34 of the executive law, experienced in business management, business
35 development, commercial lending, entrepreneurship, or in the operation
36 of a for-profit business.

37 (c) Agreements entered into pursuant to paragraph (b) of this subdivi-
38 sion shall be governed by paragraphs (d), (e), (f), (g) and (h) of
39 subdivision two of this section, and certified service-disabled veter-
40 an-owned business enterprise revolving loan trust fund accounts and
41 administrative expenses trust fund accounts shall be established in a
42 similar fashion for entities selected to administer micro-loan funds
43 pursuant to this subdivision.

44 (4) Certified service-disabled veteran-owned business enterprise
45 contracting program. For the purpose of establishing a comprehensive
46 program to assist certified service-disabled veteran-owned business
47 enterprise contractors, the corporation may provide loans, loan guaran-
48 tees, technical assistance and bonding assistance, the corporation may
49 enter into cooperative agreements with cities, counties, municipalities,
50 authorities, agencies, federally and state chartered credit unions in
51 the state and federally insured banking organizations and financial
52 institutions for such purposes.

53 (a) To be eligible for a contractor loan, the borrower must have
54 either:

55 (i) a construction contract with, or a contract to provide goods or
56 services to, a governmental entity or authority;

1 (ii) a subcontract on a government-sponsored construction contract;
2 (iii) a contract or subcontract on a government sponsored residential
3 project; or

4 (iv) a contract or subcontract on a construction project previously
5 approved by the corporation pursuant to section ten of this act.

6 (b) The corporation shall provide technical assistance specifically
7 oriented to certified service-disabled veteran-owned business enterprise
8 government contractors as part of its comprehensive technical assistance
9 program.

10 (c) The corporation is authorized to provide assistance through the
11 creation of, or assistance to, a certified service-disabled veteran-
12 owned business enterprise bonding guarantee program to enable certified
13 service-disabled veteran-owned business enterprise contractors and
14 subcontractors to meet payment or performance bonding requirements.

15 (i) Through such program, assistance in the form of working capital
16 loans and loan guarantees pursuant to subdivision six of this section
17 may also be provided to certified service-disabled veteran-owned busi-
18 ness enterprise contractors and subcontractors who have secured
19 contracts by participating in the program.

20 (ii) The corporation shall either establish criteria for the bonding
21 guarantee program and for any required escrow funds which shall include
22 detailed provisions for eligibility; or if the corporation is providing
23 assistance to a program other than one established by the corporation,
24 review and approve the criteria established for such other program.

25 (5) Direct financial assistance for certified service-disabled veter-
26 an-owned business enterprises. For the purpose of establishing a program
27 to provide direct financial assistance to certified service-disabled
28 veteran-owned business enterprises, the corporation is authorized to
29 provide assistance in the form of:

30 (a) Business development loans and loan guarantees pursuant to subdi-
31 vision six of this section to eligible enterprises for the acquisition
32 or improvement of real property, machinery, equipment or working capi-
33 tal, provided that to be eligible for a business development loan, the
34 borrowers must have been in business for at least three years and
35 provided that the loans must be in an amount equal to or in excess of
36 fifty thousand dollars;

37 (b) Franchise loans to eligible enterprises seeking to acquire or
38 expand franchises of nationally recognized corporations, provided that
39 disbursements by the corporation of such loans shall be conditioned on
40 obtaining such franchises;

41 (c) Equity assistance for eligible certified service-disabled veter-
42 an-owned business enterprises to match equity contributions to such
43 enterprises by financial institutions and community development equity
44 capital funds, provided, however, that such assistance shall be targeted
45 to start-up and early stage enterprises in the manufacturing, retail and
46 service sectors located in economically distressed areas.

47 (6) Deposits and loan guarantees. For the purpose of encouraging
48 private financial institutions to make loans to eligible enterprises
49 pursuant to this section for any of the eligible projects pursuant to
50 subdivisions four and five of this section, the corporation is author-
51 ized to:

52 (a) Make linked deposits of funds into federally and state chartered
53 credit unions in the state, in order to encourage such organizations to
54 make small loans to certified service-disabled veteran-owned business
55 enterprises; and

1 (b) Provide loan guarantees to private financial institutions for
2 loans made to eligible certified service-disabled veteran-owned business
3 enterprises pursuant to this subdivision for eligible projects, provided
4 that the guarantee shall be at least fifty percent backed by funds of
5 the corporation. Any such loan guaranteed by the corporation shall be
6 made to borrowers that are approved by the corporation and substantially
7 meet the underwriting criteria the credit union or financial institution
8 customarily applies to similar borrowers for similar loans supported by
9 similar guarantees, and no guaranteed loan funds shall be disbursed
10 until the corporation has received, reviewed and concurred, in writing,
11 with the recommendation of the credit union or banking or financial
12 institution to make a loan.

13 (7) Certified service-disabled veteran-owned business enterprise small
14 business incubator program. (a) The corporation shall establish a certi-
15 fied service-disabled veteran-owned business enterprise small business
16 incubator program for the purpose of providing financial support for the
17 creation of incubators to nurture certified service-disabled veteran-
18 owned business enterprises with growth potential.

19 (b) Under this subdivision the corporation is authorized to provide
20 low-interest loans and grants for construction financing and permanent
21 financing of up to seventy-five percent of project costs up to a maximum
22 of six hundred fifty thousand dollars per project, provided that the
23 total amount of grant assistance provided pursuant to this paragraph
24 shall not exceed twenty percent of an appropriation provided for the
25 purposes of this section.

26 (c) Incubator projects eligible for such assistance shall involve the
27 renovation or reconstruction of existing facilities or the acquisition
28 of equipment, except that construction shall be allowable in cases in
29 which an applicant can demonstrate to the satisfaction of the corpo-
30 ration that an existing facility is unavailable in the area to be served
31 by the new incubator facility.

32 (d) Incubator projects are not eligible to receive loans for the
33 purpose of covering operating costs or supplying incubator support
34 services, except that incubators in their first eighteen months of oper-
35 ation may receive one-time grants not to exceed forty thousand dollars,
36 which costs may include administrative costs of employing a resident
37 administrator/advisor to the incubator, provided that the corporation
38 shall not expend a sum greater than two hundred fifty thousand dollars
39 in any one state fiscal year, or so much as may be specifically appro-
40 priated for this purpose.

41 (e) Eligible incubator projects shall be required to demonstrate to
42 the corporation's satisfaction:

43 (i) public or private support and involvement sufficient to complete
44 the renovation of existing facilities or the construction of new facili-
45 ties and the acquisition of equipment;

46 (ii) significant community support for the project;

47 (iii) the existence of prospective tenants for such incubator space;

48 (iv) demand for such incubator space, which may include evidence of
49 the unavailability of suitable space for prospective tenants at appro-
50 priate rental or lease costs in the community in which such prospective
51 tenants are located; and

52 (v) the inability of the project to occur without financial assistance
53 from the corporation.

54 (f) The corporation shall establish criteria for eligibility for fund-
55 ing for incubator projects, including but not limited to the following:

1 (i) the project must be designed to provide low-cost space and support
2 services to incubator tenants, coordination with other sources of
3 assistance and flexible leasing arrangements for tenants;

4 (ii) the project sponsors must provide a management plan and a busi-
5 ness plan for operating the incubator satisfactory to the corporation;
6 and

7 (iii) the project gives preference for incubator space and assistance
8 to certified service-disabled veteran-owned business enterprises which
9 currently receive, or have received, assistance from the corporation
10 pursuant to this section and to incubator projects proposed to be
11 located in economically distressed areas.

12 (8) Certified service-disabled veteran-owned business enterprise tech-
13 anical assistance program. (a) The corporation shall establish a compre-
14 hensive technical assistance program within the certified service-disa-
15 bled veteran-owned business enterprise development office to provide
16 technical assistance to certified service-disabled veteran-owned busi-
17 ness enterprises through third party service providers, which assistance
18 shall include, but not be limited to: (i) technical assistance in devel-
19 opment and execution of business plans, including the formation of,
20 acquisition of, management of, or diversification of a certified
21 service-disabled veteran-owned business enterprise; (ii) technical
22 assistance with applications for obtaining funds from public and private
23 financing sources; (iii) technical assistance in the development of a
24 working capital budget; (iv) referrals to other providers of technical
25 assistance to certified service-disabled veteran-owned business enter-
26 prises and certified service-disabled veteran-owned business enterprise
27 entrepreneurs, where appropriate, including the entrepreneurial assist-
28 ance program established pursuant to article nine of the economic devel-
29 opment law; and (v) technical assistance through education programs
30 directed primarily at certified service-disabled veteran-owned business
31 enterprise entrepreneurs.

32 (b) Technical assistance may be provided through direct corporate
33 support, through grants to or contracts with service providers or
34 governmental entities, and certified service-disabled veteran-owned
35 business enterprises.

36 (9) Priorities. The corporation shall give priority to applications
37 for assistance pursuant to this section in which the business seeking
38 such assistance indicates a commitment to first consider persons eligi-
39 ble to participate in federal job training partnership act (P.L. 97-300)
40 programs.

41 (10) Non-application of certain provisions. The provisions of section
42 ten and subdivision two of section sixteen of this act shall not apply
43 to assistance or projects authorized pursuant to this section.

44 (11) Rules and regulations. The corporation shall, assisted by the
45 commissioner of economic development and in consultation with the
46 department of economic development, promulgate rules and regulations in
47 accordance with the state administrative procedure act. Such rules and
48 regulations shall be consistent with the program plan required by subdi-
49 vision nineteen of section one hundred of the economic development law.
50 No funds shall be disbursed under this program until such rules and
51 regulations have been reviewed and approved by the corporation. All
52 assistance and projects funded under this program shall be funded in
53 accordance with the rules and regulations in effect on the date the
54 completed application for such assistance shall be received by the
55 corporation.

1 (12) Certified service-disabled veteran-owned business enterprise
2 development and lending account. Notwithstanding any provision of law to
3 the contrary, the corporation shall establish within the treasury of the
4 corporation a certified service-disabled veteran-owned business enter-
5 prise development and lending account, and shall pay into such account
6 any moneys which may be made available to the corporation for this
7 purpose from any source including, but not limited to, moneys appropri-
8 ated by the state and any repayment of principal and interest on loans
9 made by the corporation pursuant to the certified service-disabled
10 veteran-owned business enterprise development and lending program. Funds
11 in the certified service-disabled veteran-owned business enterprise
12 development and lending account, including funds from the repayment of
13 principal and interest on loans made by the corporation, may be used for
14 any form of assistance authorized pursuant to this section. The amounts
15 deposited in the certified service-disabled veteran-owned business
16 enterprise development and lending account may not be interchanged with
17 any other account, but may be commingled with any other account for
18 investment purposes. All loans disbursed by the corporation shall be
19 repaid into the account. The corporation shall enter into a written
20 agreement with the director of the budget for repayment, to the state
21 comptroller to the credit of the capital projects fund, of all moneys in
22 the account after a period of time to be determined by the corporation
23 and the director of the budget. The corporation shall transfer to the
24 certified service-disabled veteran-owned business enterprise development
25 and lending account: all moneys appropriated or reappropriated by New
26 York state for the certified service-disabled veteran-owned business
27 enterprise revolving loan trust fund that have not been committed prior
28 to the effective date of the appropriation for the program in the
29 current fiscal year, or become uncommitted subsequent to the effective
30 date of the program's appropriation for the current fiscal year; and all
31 repayments of principal and interest on loans made by the corporation
32 which are currently on deposit in, or payable to, the certified
33 service-disabled veteran-owned business enterprise development and lend-
34 ing account.

35 (13) Standardization. The corporation shall streamline the review and
36 approval process for projects and wherever possible standardize all
37 relevant attendant documentation and legal documents.

38 (14) Approval cycle. The corporation shall approve eligible loans or
39 grants on at least a four-month cycle and shall give priority consider-
40 ation to the comparative degree of economic distress within the areas in
41 which the project is located. Other factors to be considered by the
42 corporation shall include the impact of the project on the employment
43 and economic condition of the community and the financial feasibility of
44 the project.

45 (15) Repayment. Notwithstanding the provisions of section forty-a of
46 the state finance law and any other general or special law, no written
47 agreement under this program shall require repayment at any time or on
48 any terms inconsistent with the provisions of this act or the New York
49 state project finance agency act; except, however, that the corporation
50 may make grants to projects using funds appropriated for this purpose
51 and that the repayment provision may not apply to such grants.

52 (16) Reports. The chairman of the corporation shall submit to the
53 director of the budget, the speaker of the assembly and the temporary
54 president of the senate an evaluation of the effectiveness of the
55 program prepared by an entity independent of the corporation. The corpo-
56 ration shall select the program evaluator through a request for proposal

1 process. Such evaluation shall determine whether the assistance provided
2 has enhanced the economic condition of assisted companies or communi-
3 ties, and shall make recommendation for improvements which would make
4 the program more effective. Such evaluation shall be submitted by
5 September first, two thousand nineteen and September first every two
6 years thereafter.

7 § 2. Subdivision 1 of section 210 of the economic development law, as
8 amended by section 1 of part DD of chapter 55 of the laws of 2014, is
9 amended and a new subdivision 7 is added to read as follows:

10 1. "Development centers" shall mean the business enterprise develop-
11 ment centers which provide assistance to primarily minority group
12 members, women, individuals with a disability, certified service-disa-
13 bled veteran-owned business enterprises and veterans as established by
14 the department pursuant to section two hundred eleven of this article.

15 7. "Certified service-disabled veteran-owned business enterprise"
16 shall mean a business enterprise, certified pursuant to article seven-
17 teen-B of the executive law.

18 § 3. Subdivision 1 and paragraph (d) of subdivision 3 of section 211
19 of the economic development law, subdivision 1 as amended by section 3
20 of part DD of chapter 55 of the laws of 2014 and paragraph (d) of subdivi-
21 sion 3 as amended by chapter 227 of the laws of 1993, are amended to
22 read as follows:

23 1. The department shall provide grants, within available appropri-
24 ations, on a competitive basis, in response to a request for proposals
25 to pilot development centers, to provide intensive community-based
26 management and technical assistance targeted primarily to minority group
27 members, women, individuals with a disability, certified service-disa-
28 bled veteran-owned business enterprises and veterans who are seeking to
29 start or are starting new business ventures.

30 (d) establish an advisory group of community business experts, at
31 least one-half of whom shall be representative of the clientele to be
32 served by the center, which shall constitute a support network to
33 provide counseling and mentoring services to minority group members,
34 women, veterans and individuals with a disability from the concept stage
35 of development through the first one to two years of existence on a
36 regular basis and as needed thereafter during the first five years of a
37 new venture; and

38 § 4. This act shall take effect 1 year after it shall have become a
39 law.