

# STATE OF NEW YORK

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6892

2017-2018 Regular Sessions

## IN SENATE

September 29, 2017

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

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 § 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.

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

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

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

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

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

#### ARTICLE 9-B

##### MICROENTERPRISE DEVELOPMENT

##### Section 217. Microenterprise development.

§ 217. Microenterprise development. (a) There is hereby established a microenterprise development program under the purview of the department. Such program shall provide microenterprises with financial, business, or technical assistance, including, but not limited to, access to financing, mentoring, training or acquiring physical space.

(b) As used in this section, the following terms shall have the following meanings:

1. "Microenterprise" means any business, whether new or existing, that is a sole proprietorship, partnership, or corporation which has five or less employees.

2. "Microenterprise development organization" means a community-based organization, or social service organization, or other nonprofit entity that has developed a program to provide microenterprises with financial, business, or technical assistance, including, but not limited to, access to financing, mentoring, training, or acquiring physical space.

3. "Training and technical assistance" means services and support provided to microenterprises, especially those that are low-income owners, for enhancing business planning, marketing management, and improving financial management skills, for the purpose of accessing financial services, such as loans, microloans and grants.

4. "Low-income person" means a person with income adjusted for family size that does not exceed:

a. For metropolitan areas, eighty percent of median income of the metropolitan area; or

b. For nonmetropolitan areas, the greater of eighty percent of the area median income or eighty percent of the statewide nonmetropolitan area median income.

(c) 1. The commissioner is authorized to establish a microenterprise technical assistance and capacity building grant program to provide assistance in the form of grants of up to five thousand dollars to microenterprise development organizations to use as provided in this subdivision from available appropriations.

2. A microenterprise development organization shall use grants made under this program to provide training and technical assistance to low-income entrepreneurs operating microenterprises.

3. The commissioner shall ensure that not less than fifty percent of the funds made available are used to benefit persons whose income, adjusted for family size, is not more than one hundred fifty percent of the poverty line as defined in 42 U.S.C. 9902(2).

4. A microenterprise development organization must provide at least one dollar in matching funds for every dollar of state financial assistance. Fees, grants, and gifts from public or private sources may be used to comply with the matching funds requirement.

5. The commissioner shall assist microenterprises to access existing grants, loans, and other programs and services currently available from any state entity. Further, the commissioner shall actively seek to encourage private financial institutions to make loans to microenterprises.

1     § 4. Rules and regulations. The commissioner of economic development  
2 is authorized to promulgate rules and regulations in accordance with the  
3 state administrative procedure act that are necessary to fulfill the  
4 purposes of this act. Such rules and regulations shall be completed  
5 within one hundred eighty days after the effective date of this act.  
6     § 5. This act shall take effect July 1, 2018.