

STATE OF NEW YORK

7930--A

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 -- recommitted to the Committee on Economic Development in accordance with Assembly Rule 3, sec. 2 -- 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 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 Assembly, do enact as follows:

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

§ 16-c-1. Certified service-disabled veteran-owned business enterprise development and lending program. (1) Certified service-disabled veteran-owned business enterprise development and lending program. (a) There is hereby created a certified service-disabled veteran-owned business enterprise development and lending program for the purpose of providing financial and technical assistance to certified service-disabled veteran-owned business enterprises.

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

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

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

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

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

LBD10831-04-8

1 (i) the purchase or rehabilitation of real property for speculative
2 purposes;

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

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

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

10 (v) hospitals or residential health care facilities;

11 (vi) overnight lodging facilities;

12 (vii) refinancing of debt or equity invested in an enterprise or
13 project.

14 (d) The corporation is authorized to:

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

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

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

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

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

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

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

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

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

1 certified service-disabled veteran-owned business enterprise revolving
2 loan trust fund accounts and related administrative expenses trust fund
3 accounts.

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

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

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

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

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

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

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

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

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

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

55 (d) (i) Notwithstanding any provision of law to the contrary, the
56 corporation may establish an administrative expenses trust fund account

1 for the benefit of each entity selected to administer a certified
2 service-disabled veteran-owned business enterprise revolving loan trust
3 fund account. The initial deposit of funds to an administrative expenses
4 trust fund account shall be an amount determined by the corporation but
5 shall not exceed twenty-five thousand dollars.

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

11 (iii) The corporation shall deposit into each administrative expenses
12 trust fund account:

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

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

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

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

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

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

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

1 an entity selected to administer a certified service-disabled veteran-
2 owned business enterprise revolving loan trust fund account, and
3 "regional revolving loans trust fund" shall mean a certified service-
4 disabled veteran-owned business enterprise revolving loan trust fund,
5 and where the term "this section" appears therein it shall mean this
6 section.

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

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

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

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

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

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

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

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

5 (ii) a subcontract on a government-sponsored construction contract;

6 (iii) a contract or subcontract on a government sponsored residential
7 project; or

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

10 (b) The corporation shall provide technical assistance specifically
11 oriented to certified service-disabled veteran-owned business enterprise
12 government contractors as part of its comprehensive technical assistance
13 program.

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

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

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

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

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

41 (b) Franchise loans to eligible enterprises seeking to acquire or
42 expand franchises of nationally recognized corporations, provided that
43 disbursements by the corporation of such loans shall be conditioned on
44 obtaining such franchises;

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

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

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

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

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

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

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

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

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

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

50 (ii) significant community support for the project;

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

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

1 (v) the inability of the project to occur without financial assistance
2 from the corporation.

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

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

8 (ii) the project sponsors must provide a management plan and a busi-
9 ness plan for operating the incubator satisfactory to the corporation;
10 and

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

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

36 (b) Technical assistance may be provided through direct corporate
37 support, through grants to or contracts with service providers or
38 governmental entities, and certified service-disabled veteran-owned
39 business enterprises.

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

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

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

1 accordance with the rules and regulations in effect on the date the
2 completed application for such assistance shall be received by the
3 corporation.

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

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

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

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

55 (16) Reports. The chairman of the corporation shall submit to the
56 director of the budget, the speaker of the assembly and the temporary

president of the senate an evaluation of the effectiveness of the program prepared by an entity independent of the corporation. The corporation shall select the program evaluator through a request for proposal process. Such evaluation shall determine whether the assistance provided has enhanced the economic condition of assisted companies or communities, and shall make recommendation for improvements which would make the program more effective. Such evaluation shall be submitted by September first, two thousand twenty and September first every two years thereafter.

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

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

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

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

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

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

§ 4. This act shall take effect one year after it shall have become a law.