STATE OF NEW YORK

1459

2021-2022 Regular Sessions

IN SENATE

January 12, 2021

Introduced by Sen. BRESLIN -- read twice and ordered printed, and when printed to be committed to the Committee on Social Services

AN ACT to amend the social services law, in relation to establishing the community capital loan program and providing for the filing of a report thereon

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

Section 1. The social services law is amended by adding a new section 131-bb to read as follows:

§ 131-bb. Community capital loan program. 1. From amounts appropriated for such purpose, the department of labor in consultation with the department of family assistance is hereby authorized and directed to solicit proposals to establish programs to be known as community capital loan programs. Such programs shall provide small, no-interest loans to persons with income below two hundred percent of the federal poverty level for the purpose of assisting the loan recipient to become self-employed. Loans awarded through a community capital loan program may be paid directly to a third party on behalf of a loan recipient and in either case shall not constitute income or resources for the purposes of public assistance and care so long as the funds are used for the intended purpose.

2. The commissioner of labor shall enter into written agreements with not-for-profit organizations or local government agencies to administer loan pools. Agreements shall be entered into with no more than four organizations and/or agencies, no more than one of which shall be located in the city of New York.

3. Program sites shall be approved based on the demonstrated ability of the organization or governmental agency to secure funding from private and/or public sources sufficient to establish a loan pool to be maintained through repayment agreements entered into by eligible low-income individuals. Funds awarded by the department of labor to approved

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

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program sites shall be used for the express purposes of covering staffing and administration costs associated with administering the loan pool.

§ 2. A program site, as provided in subdivision 3 of section 131-bb of the social services law, as added by section one of this act, shall, within one year of receiving approval by the department of labor, report to the department of labor on the utilization of the loan pool, including but not limited to, the number and average amount of the loans awarded, the rate of repayment on the loans, the purposes for which the loans were awarded, the financial circumstance of persons receiving the loans, and the number of persons receiving loans who subsequently required public assistance. The department of labor shall provide the findings to the temporary president of the senate and the speaker of the assembly within one month of receiving the reports.

§ 3. This act shall take effect immediately.