

STATE OF NEW YORK

6394

2021-2022 Regular Sessions

IN SENATE

April 26, 2021

Introduced by Sen. BAILEY -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the New York state urban development corporation act and the economic development law, in relation to the creation of micro-business worker cooperatives upon transfer of ownership

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

1 Section 1. Subdivision 1 of section 16-m of section 1 of chapter 174
2 of the laws of 1968, constituting the New York state urban development
3 corporation act, is amended by adding a new paragraph (o) to read as
4 follows:

5 (o) Assistance to eligible entities pursuant to article five-A of the
6 cooperative corporations law to provide financing in the form of loans,
7 loan guarantees, and interest subsidy grants to subsidize loans from
8 federally chartered instrumentalities and state and private lending
9 institutions to facilitate the creation of worker cooperatives that
10 promote continuation of existing micro-businesses either as a part of a
11 preexisting business succession of ownership plan or as alternative
12 option if a business is being offered for sale or transfer by the
13 current owner or the heirs or estate of a deceased owner. For the
14 purposes of this section, a micro-business shall be defined as a busi-
15 ness with five or less full-time or full-time equivalent employees. All
16 eligible entities shall be required to submit a business plan with their
17 application requesting assistance.

18 § 2. The opening paragraph of section 104-a of the economic develop-
19 ment law, as added by chapter 788 of the laws of 1983, is amended to
20 read as follows:

21 With respect to employee ownership assistance loans provided for in
22 subtitle six of title eight of article eight of the public authorities
23 law and paragraph (o) of subdivision one of section sixteen-m of section

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

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1 one of chapter one hundred seventy-four of the laws of nineteen hundred
2 sixty-eight, constituting the New York state urban development corpo-
3 ration act, the department shall have the power and duty and in cooper-
4 ation with the job development authority, the empire state development
5 corporation and any other applicable state agency or office to:

6 § 3. This act shall take effect immediately, provided, however, that
7 the amendments to section 16-m of the urban development corporation act
8 made by section one of this act shall not affect the expiration of such
9 section and shall be deemed to expire therewith.