

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:

1 Section 1. The social services law is amended by adding a new section
2 131-bb to read as follows:

3 § 131-bb. Community capital loan program. 1. From amounts appropriated
4 for such purpose, the department of labor in consultation with the
5 department of family assistance is hereby authorized and directed to
6 solicit proposals to establish programs to be known as community capital
7 loan programs. Such programs shall provide small, no-interest loans to
8 persons with income below two hundred percent of the federal poverty
9 level for the purpose of assisting the loan recipient to become self-em-
10 ployed. Loans awarded through a community capital loan program may be
11 paid directly to a third party on behalf of a loan recipient and in
12 either case shall not constitute income or resources for the purposes of
13 public assistance and care so long as the funds are used for the
14 intended purpose.

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

20 3. Program sites shall be approved based on the demonstrated ability
21 of the organization or governmental agency to secure funding from
22 private and/or public sources sufficient to establish a loan pool to be
23 maintained through repayment agreements entered into by eligible low-in-
24 come 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.

LBD03866-01-1

1 program sites shall be used for the express purposes of covering staff-
2 ing and administration costs associated with administering the loan
3 pool.

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

15 § 3. This act shall take effect immediately.