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:

Section 1. Subdivision 1 of section 16-m of 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 paragraph (o) to read as follows:

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

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

With respect to employee ownership assistance loans provided for in subtitle six of title eight of article eight of the public authorities 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.

LBD06858-01-1

one of chapter one hundred seventy-four of the laws of nineteen hundred sixty-eight, constituting the New York state urban development corporation act, the department shall have the power and duty and in cooperation with the job development authority**, the empire state development corporation and any other applicable state agency or office** to:

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