# STATE OF NEW YORK

6490

2023-2024 Regular Sessions

# IN SENATE

April 24, 2023

Introduced by Sen. KENNEDY -- read twice and ordered printed, and when printed to be committed to the Committee on Commerce, Economic Development and Small Business

AN ACT to amend the economic development law, the state finance law and the New York state urban development corporation act, in relation to making small business loans available to microbusinesses

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

Section 1. The economic development law is amended by adding a new section 131-a to read as follows:

**§ 131-a. Definition of a microbusiness. For the purposes of this chapter, a microbusiness shall be deemed to be a business that is resident in this state, independently owned and operated, not dominant in its field and employs under five persons.**

§ 2. Paragraphs (h) and (h) of subdivision 11 of section 213 of the state finance law, paragraph (h) as added by section 1 of part BB of chapter 58 of the laws of 2022, and paragraph (h) as added by chapter 587 of the laws of 2022, are amended and a new paragraph (j) is added to read as follows:

(h) a community development financial institution[~~.~~]**; or**

[~~(h)~~]**(i)** any certified service-disabled veteran-owned business enterprises seeking financing necessary to carry out a procurement contract with an agency or authority or other entity of the state or federal government[~~.~~]**; or**

**(j) a microbusiness, as defined by section one hundred thirty-one-a of the economic development law, that has been in operation for five years and that is located in an empire zone, empowerment zone, a highly distressed area or renewal community.**

§ 3. Section 16-t of section 1 of chapter 174 of the laws of 1968, constituting the urban development corporation act is amended by adding a new subdivision 17 to read as follows:

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

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**17. Notwithstanding anything to the contrary in this section, the corporation shall provide at least five million dollars in program funds pursuant to this section to lending organizations for the purpose of making micro-loans to microbusinesses, as defined by section one hundred thirty-one-a of the economic development law. Microbusinesses shall be eligible to apply for funding in the same manner as other small businesses pursuant to subdivision three of this section.**

§ 4. This act shall take effect immediately.