STATE OF NEW YORK

10864

IN ASSEMBLY

April 8, 2026

Introduced by M. of A. JACKSON -- read once and referred to the Committee on Governmental Operations

AN ACT to amend the executive law and the administrative code of the city of New York, in relation to establishing minority youth-owned business enterprises

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

Section 1. Subdivision 7 of section 310 of the executive law, as amended by chapter 22 of the laws of 2014, paragraph (e) as amended by chapter 96 of the laws of 2019, is amended and three new subdivisions 24, 25 and 26 are added to read as follows:

7. **(a)** "Minority-owned business enterprise" shall mean a business enterprise, including a sole proprietorship, partnership, limited liability company or corporation that is:

[~~(a)~~] **(i)** at least fifty-one percent owned by one or more minority group members;

[~~(b)~~] **(ii)** an enterprise in which such minority ownership is real, substantial and continuing;

[~~(c)~~] **(iii)** an enterprise in which such minority ownership has and exercises the authority to control independently the day-to-day business decisions of the enterprise;

[~~(d)~~] **(iv)** an enterprise authorized to do business in this state and independently owned and operated;

[~~(e)~~] **(v)** an enterprise owned by an individual or individuals, whose ownership, control and operation are relied upon for certification, with a personal net worth that does not exceed fifteen million dollars, and such other amount as the director shall set forth in regulations, as adjusted annually on the first of January for inflation according to the consumer price index of the previous year; and

[~~(f)~~] **(vi)** an enterprise that is a small business pursuant to subdivision twenty of this section.

(b) "Minority-owned business enterprise" shall include a minority youth-owned business enterprise, provided that the provisions of subdivision twenty-four of this section are met.

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

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24. "Minority youth-owned business enterprise" shall mean a business enterprise, including a sole proprietorship, partnership, limited liability company or corporation that is:

(a) at least fifty-one percent owned by one or more minority group members belonging to tier one or tier two;

(b) an enterprise in which such tier one or tier two minority ownership is real, substantial and continuing;

(c) an enterprise in which such tier one or tier two minority ownership has and exercises the authority to control independently the day-to-day business decisions of the enterprise;

(d) an enterprise authorized to do business in this state and independently owned and operated;

(e) an enterprise owned by an individual or individuals, whose ownership, control and operation are relied upon for certification, with a personal net worth that does not exceed fifteen million dollars, and such other amount as the director shall set forth in regulations, as adjusted annually on the first of January for inflation according to the consumer price index of the previous year; and

(f) an enterprise that is a small business pursuant to subdivision twenty of this section.

25. "Tier one" shall mean a minority group member who is sixteen or seventeen years of age and enrolled in public or private school in the state of New York that is prohibited from serving as the primary signatory on a state contract.

26. "Tier two" shall mean a minority group member that is fully eligible to sign and execute state contracts and who is either:

(a) eighteen to twenty-nine years of age; or

(b) a high school senior enrolled in a public or private school in the state of New York, verified by such public or private school's administration as being on track to graduate in the current academic year.

§ 2. Paragraphs (l) and (m) of subdivision 3 of section 311 of the executive law, as amended by chapter 40 of the laws of 2023, are amended and three new paragraphs (n), (o) and (p) are added to read as follows:

(l) to work in conjunction with the industrial commissioner pursuant to paragraph (j) of subdivision one of section eight hundred eleven of the labor law to assist contractors in identifying minority group members and women who are participating in apprenticeship agreements under article twenty-three of the labor law; [~~and~~]

(m) to coordinate with appropriate offices, agencies, or authorities, where applicable, to conduct site visits or perform inspections of financial records of minority or women-owned business enterprises in accordance with this article and the regulations of the director[~~.~~];

(n) to develop and conduct comprehensive business fundamental training programs for tier one and tier two members of minority youth-owned business enterprises which shall include but not be limited to training programs on financial literacy and business management;

(o) to offer specialized coursework to tier one and tier two members of minority youth-owned business enterprises on the procurement process in the state of New York; and

(p) to identify and establish mentorship opportunities to connect tier one and tier two members of minority youth-owned business enterprises with experienced business owners. Such mentorship opportunities shall be intended to provide minority youth-owned business enterprise members with ongoing guidance throughout the business development process.

§ 3. The executive law is amended by adding four new sections 313-b, 313-c, 313-d and 313-e to read as follows:

§ 313-b. Opportunities for minority youth-owned business enterprises. 1. The following contracting agencies shall allocate twelve percent of their total discretionary spending budget to minority youth-owned business enterprises owned, operated or controlled by a tier two member:

(a) the department of education;

(b) the office of children and family services;

(c) colleges and institutions of the state university of New York; and

(d) colleges and institutions of the city university of New York, with the exception of the school of medicine of the city university of New York.

2. Any contracting agency not expressly identified in subdivision one of this section shall target a four percent participation goal for contracts performed by minority youth-owned business enterprises.

3. (a) All contracting agencies shall be authorized to award contracts up to twenty-five thousand dollars to minority youth-owned business enterprises without a formal competitive bidding process.

(b) Tier two members of minority youth-owned business enterprises that have fully executed three contracts each totaling twenty-five thousand dollars in accordance with paragraph (a) of this subdivision shall be eligible for an increased contract award of fifty thousand dollars without a formal competitive bidding process.

§ 313-c. Implementation program for minority youth-owned business enterprises. 1. Notwithstanding any law, rule or regulation to the contrary, the director shall establish a three-year implementation program to establish and refine the provisions and requirements relating to minority youth-owned business enterprises set forth in this article.

2. Such implementation program shall include:

(a) a pilot phase occurring in the first six months of such three-year implementation program under which the director:

(i) holds business formation days at public and private high schools and community centers throughout the state where tier two members may register a limited liability company in accordance with the provisions of section three hundred thirteen-e of this article and section two hundred three of the limited liability company law;

(ii) selects three to five disadvantaged communities, as defined by subdivision five of section 75-0101 of the environmental conservation law, for initial implementation of minority youth-owned business enterprise programs which shall include sites in the city of New York, Buffalo and Rochester; and

(iii) establishes partnerships with local businesses, agencies, and legal clinics;

(b) a payment process implementation phase related to subcontracting awarded by holders of multiple task award contracts in accordance with paragraph sixteen of subdivision e of section 6-129 of the administrative code of the city of New York occurring in months three through six of the three-year implementation program under which the director:

(i) develops standardized invoicing templates for minority youth-owned business enterprises;

(ii) creates guidelines for prompt payment practices; and

(iii) conducts training on the payment process for all participants;

(c) an evaluation and refinement phase occurring in months seven to twelve of the three-year implementation program under which the director shall assess the outcome of the pilot phase created under paragraph (a) of this subdivision; and

(d) a statewide rollout phase occurring in years two to three of the three-year implementation program under which the minority youth-owned

business enterprise program is expanded to all counties and municipalities within the state of New York.

3. The director shall provide ongoing support and monitoring of minority youth-owned business enterprises commencing in the first year of the three-year implementation program and continuing thereafter.

4. The director shall collect and analyze data regarding the contracting results of section three hundred thirteen-b of this article.

§ 313-d. Minority youth-owned business enterprise oversight committee. 1. The department of state shall establish a minority youth-owned oversight committee comprised of representatives from the legislature, the office of the governor and the office of the mayor of the city of New York. Such minority youth-owned business enterprise oversight committee shall:

(a) submit quarterly reports to the governor and legislature concerning financial management and the contracting results of section three hundred thirteen-b of this article and paragraph five of subdivision d of section 6-129 of the administrative code of the city of New York;

(b) conduct annual community feedback sessions with members of minority youth-owned business enterprises;

(c) conduct regular audits of contracting practices and payment processes;

(d) review the contracting results of section three hundred thirteen-b of this article and paragraph five of subdivision d of section 6-129 of the administrative code of the city of New York to ensure it remains appropriate amid current economic conditions;

(e) monitor the progression of minority youth-owned business enterprises to ensure effectiveness; and

(f) evaluate business compliance with the requirements of this article.

2. The minority youth-owned business enterprise oversight committee shall establish a bridge program under which such oversight committee assists members of minority youth-owned business enterprises who are twenty-eight or twenty-nine years of age in applying for statewide certifications for minority-owned business enterprises or women-owned business enterprises in accordance with section three hundred fourteen of this article.

§ 313-e. Limited liability company incorporation support for minority youth-owned business enterprises. The department of state shall establish a minority youth-owned business enterprise incorporation unit. Such minority youth-owned business enterprise incorporation unit shall provide free legal and administrative assistance to tier two members of minority youth-owned business enterprises for the purposes of drafting articles of organization pursuant to section two hundred three of the limited liability company law.

§ 4. Paragraph 25 of subdivision c of section 6-129 of the administrative code of the city of New York, as amended by local law number 1 of the city of New York for the year 2013, is amended and three new paragraphs 35, 36 and 37 are added to read as follows:

(25) "MBE" means a minority-owned business enterprise certified in accordance with section 1304 of the charter and shall include a minority-youth owned business enterprise.

(35) "Minority youth-owned business enterprise" or "MYBE" means business enterprises authorized to do business in this state, including sole proprietorships, partnerships and corporations, in which (a) at least fifty-one percent of the ownership interest is held by United States citizens or lawful permanent residents who are either tier one or tier

two minority group members; (b) the ownership interest of such individuals is real, substantial and continuing; and (c) such individuals have and exercise the authority to control independently the day to day business decisions of the enterprise.

(36) "Tier one" shall mean a minority group member who is sixteen or seventeen years of age and enrolled in public or private school in the state of New York that is prohibited from serving as the primary signatory on a contract.

(37) "Tier two" shall mean a minority group member that is fully eligible to sign and execute contracts and who is either:

(a) eighteen to twenty-nine years of age; or

(b) a high school senior enrolled in a public or private school in the state of New York, verified by such public or private school's administration as being on track to graduate in the current academic year.

§ 5. Subdivision d of section 6-129 of the administrative code of the city of New York is amended by adding two new paragraphs 5 and 6 to read as follows:

(5) (a) The following agencies shall allocate twelve percent of their total discretionary spending budget to MYBEs owned, operated or controlled by a tier two member:

(i) the department of education; and

(ii) the department of youth and community development.

(b) Any agency not expressly identified in subparagraph (a) of this paragraph shall target a four percent participation goal for contracts performed by MYBEs.

(c) (i) Agencies shall be authorized to award contracts up to twenty-five thousand dollars to MYBEs without a formal competitive bidding process.

(ii) Tier two members of MYBEs that have fully executed three contracts each totaling twenty-five thousand dollars in accordance with this paragraph shall be eligible for an increased contract award of fifty thousand dollars without a formal competitive bidding process.

(6) For any multiple task award contract in excess of one million dollars, the multiple task award contract contractor shall provide a business development and mentorship program for tier one and tier two minority youth-owned business enterprises. Such program shall:

(a) provide practical training and mentorship to support MYBEs in building and scaling their businesses, including financial management, pricing and profitability, customer development, operations and workforce planning, leadership development, and industry-specific best practices.

(b) reflect current industry standards and best practices at the time it is delivered.

(c) be offered on an ongoing basis and made available at least once per month during the term of the multiple task award contract.

(d) be delivered through live, interactive, skills-based sessions and shall include opportunities for participant questions, coaching, and practical exercises.

§ 6. Subdivision e of section 6-129 of the administrative code of the city of New York is amended by adding five new paragraphs 16, 17, 18, 19 and 20 to read as follows:

(16) The division shall develop a payment process between subcontracting MYBEs and prime contractors holding multiple task award contracts. Such payment process shall be consistent with the following:

(a) an MYBE subcontractor completes work and submits an invoice to a multiple task award prime contractor;

(b) the multiple task award prime contractor consolidates invoices and submits such invoices to the client;

(c) the client pays the multiple task award contractor; and

(d) the multiple task award contractor disburses payment to the MYBE subcontractor.

(17) The division shall assist MYBEs in establishing mentorship opportunities between MYBE members and multiple task award contractors.

(18) The division shall develop and conduct comprehensive business fundamental training programs for tier one and tier two members of MYBEs which shall include but not be limited to training programs on financial literacy and business management.

(19) The division shall offer specialized coursework to tier one and tier two members of MYBEs on the procurement process in the city.

(20) The division shall identify and establish mentorship opportunities to connect tier one and tier two members of MYBEs with experienced business owners in the city. Such mentorship opportunities shall be intended to provide MYBE members with ongoing guidance throughout the business development process.

§ 7. This act shall take effect on the one hundred eightieth day after it shall have become a law; provided, however, that the amendments to article 15-A of the executive law made by sections one, two and three of this act shall not affect the repeal of such article and shall be deemed repealed therewith.