



COMMITTEE ON
Small Business

2019 ANNUAL REPORT

NEW YORK STATE ASSEMBLY



CARL E. HEASTIE, *Speaker*

ALBERT A. STIRPE, JR., *Chair*



ALBERT A. STIRPE, JR.
Assemblyman 127th District

THE ASSEMBLY
STATE OF NEW YORK
ALBANY

CHAIR
Small Business

COMMITTEES
Agriculture
Alcoholism & Drug Abuse
Economic Development, Job Creation,
Commerce and Industry
Higher Education

December 15th, 2019

Honorable Carl Heastie, Speaker
New York State Assembly
Legislative Office Building, Room 932
Albany, New York 12248

Dear Speaker Heastie:

I am pleased to submit the 2019 Annual Report of the Assembly Standing Committee on Small Business. Throughout the 2019 Legislative Session, the Committee remained dedicated to addressing the needs of small businesses by passing legislation designed to aid them in light of the current challenging marketplace.

This past session the Committee worked on legislation designed to stimulate small and entrepreneurial business growth, help small businesses to become energy efficient, promote minority- and women-owned business development, provide available resources for these entrepreneurs, and ease the regulatory strain on small businesses. In addition the Committee has held a number of roundtables across the State in order to learn and determine the concerns of our local small businesses.

The Committee will continue to examine the full range of issues affecting the needs of small businesses. I join my colleagues in commending you for your commitment to supporting small businesses. The Committee looks forward to a productive legislative session of persistent efforts so that we can continue to create a healthy environment for small business prosperity across New York State.

Sincerely,

Al Stirpe, Chair.
Committee on Small Business

**2019
ANNUAL REPORT**

**NEW YORK STATE ASSEMBLY
STANDING COMMITTEE ON SMALL BUSINESS**

**Al Stirpe
Chairman**

Committee Members

Majority

José Rivera
Victor Pichardo
Carrie Woerner
Diana Richardson
Alicia Hyndman
Inez Dickens
Clyde Vanel
Billy Jones
Harvey Epstein
Taylor Darling
Jamie Romeo
Catalina Cruz

Minority

David DiPietro
Kieran Michael Lalor
Marjorie Byrnes
Brian Manktelow

Staff

Giovanni Warren, *Assistant Secretary for Program and Policy*
Patrick Totaro, *Associate Counsel*
Matthew Richmond, *Analyst*
Nicole VanAuken, *Program and Counsel Secretary*
Justin Perkins, *Committee Clerk*

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I. INTRODUCTION, COMMITTEE JURISDICTION AND ACTIVITY

New York's small business sector continues to prove itself to be the cornerstone of the State's economy. Small businesses are defined in State law as those employing 100 or fewer people. According to the U.S. Department of Commerce, over 400,000 enterprises qualify as small businesses under New York State law, comprising 97 percent of the State's established firms. The small business sector in New York includes industries such as construction, retail, technology-related and health care services among many others, with a large share of owners from New York's minority and female community.

Small businesses and entrepreneurs continue to report difficulties in accessing startup capital to grow and support their operations. One of the Committee's foremost priorities is to promote existing financial assistance programs and legislation to improve access to credit and technical services for small businesses and Minority- and Women-owned Business Enterprises. Historically, small businesses and start up enterprises have led the way in job creation, and the Committee remains committed to promoting new growth, supporting established small businesses, and helping entrepreneurs develop and commercialize innovative ideas in New York.

The Committee works closely with a number of State agencies and entities to ensure they are serving the needs of the small business community, including the Department of Economic Development and the Empire State Development Corporation, which are the State's chief economic development entities. The Committee also provides oversight of the Small Business Development Centers Program.

During the 2019 Legislative Session, the Standing Committee on Small Business reported 10 bills favorably. In addition, a number of bills that were important to small businesses, but were referred to other committees, became law with the assistance and input of the Small Business Committee.

II. 2019-2020 SMALL BUSINESS BUDGET OUTCOME

The Committee on Small Business supported key initiatives to boost New York's economy, create jobs, and facilitate opportunities for small businesses and entrepreneurs. The following are budget highlights that affect small businesses in New York State

• **University-Based Programs**

- \$13.818 million for the 15 existing Centers for Advanced Technology (CATs), which collaborate with New York companies on the development of new technologies and products and create new businesses and high-quality jobs throughout the State; and
- \$9.595 million for the 10 existing Centers of Excellence, with a legislative restoration of \$872 thousand to enable each Center to receive \$2.7 million each for their base operating funds. The Centers are collaborative public-private partnerships that commercialize scientific discoveries in fields such as nanoelectronics, bioinformatics, photonics, environmental systems, wireless applications and information technology.

• **Business Assistance**

- \$12 million for the Manufacturing Extension Partnership Program;
- \$6 million for the High Technology Matching Grants Program;
- \$5 million for the New York State Innovation Hot Spots/ New York State Incubators;
- \$5 million for the Entrepreneurial Assistance Program (EAP);
- \$3.006 million for SUNY Polytechnic Institute College of Nanoscale Science and Engineering and Rensselaer Polytechnic Institute focus centers;
- \$1.991 million for the Technology Development Organizations;
- \$1.5 million for the Community Development Financial Institutions (CDFI) Program;
- \$1 million for the Minority- and Women-Owned Business Development and Lending Program and to recapitalize the Minority- and Women-Owned Business Investment Fund;
- \$921,000 for the Industrial Technology Extension Service Program; and
- \$500,000 for the Small Business Innovation Research (SBIR)/Small Business Technology Transfer (STTR) Technical Assistance Program.

• **Commerce, Regional Economic Development, Trade and Tourism**

- \$150 million for the Regional Economic Development Councils (REDCs);
- \$3 million for military base retention and research efforts;
- \$1 million for the Beginning Farmers NY fund;
- \$900,000 for the Bronx Overall Economic Development Corporation;
- \$600,000 for the Center State Corporation for Economic Opportunity (CEO) Program;
- \$575,000 for the Queens Chamber of Commerce;
- \$500,000 for the Brooklyn Chamber of Commerce;
- \$500,000 for Center State CEO Grants for Growth;
- \$400,000 for the Community Development Revolving Loan fund;
- \$300,000 for the North Country Chamber of Commerce;
- \$200,000 for Manufacturers Association of Central New York (MACNY);
- \$200,000 for Canisius College;

- \$200,000 for the Finger Lakes Tourism Alliance;
- \$200,000 for Adirondack North Country, Inc;
- \$150,000 for the Staten Island Economic Development Corporation;
- \$100,000 for the Lake Ontario and Thousand Island Tourism Promotion;
- \$100,000 for the New Bronx Chamber of Commerce;
- \$100,000 for the Chamber of Commerce of the Borough of Queens;
- \$100,000 for the New York Women’s Chamber of Commerce;
- \$50,000 for the Buffalo Niagara International Trade Gateway Organization; and
- \$50,000 for the World Trade Center Buffalo Niagara.

● **ARTICLE VII PROPOSALS**

- The Legislature approved a proposal to extend the Urban Development Corporation’s authority to administer the Economic Development Fund from July 1, 2019 until July 1, 2020.
- The Legislature approved a proposal to extend the Urban Development Corporation’s general loan powers from July 1, 2019 until July 1, 2020.

III. ISSUES BROUGHT THROUGH COMMITTEE IN 2019

A. REGULATORY REFORM

Awards of State Contracts

(A.2166, Bichotte; Chapter 448)

This bill requires the commissioner to publish and announce when an agency has entered into a contract in the procurement opportunities newsletter. In such announcement, it would identify the contract, specify the date of the award of the contract, provide the name and contact information for each recipient of the contract in order to make information readily available for any potential sub-contractors.

Small Business Crime Prevention

(A.2946, Solages; Veto 156)

This bill would establish the small business crime prevention services program, which would provide information on best practices and programs to help prevent crimes around their businesses as well as allow the New York State Urban Development Corporation to provide loans for the purpose of meeting these goals.

Small Business Advisory Panel

(A.8089, Ryan; Chapter 372)

This bill would extend the advisory panel on employee owned enterprises within the Department of Economic Development until October 1st, 2020 in order to make recommendations on State laws and programs to support and promote employee-owned enterprises in New York.

B. BUSINESS ASSISTANCE

Small Business Energy Assistance and Advocacy

(A.1483, Santabarbara; Veto 154)

This bill would establish a small business energy assistance and advocacy program to support energy conservation, energy and renewable energy programs for small businesses.

Expansion of Urban Development Corporation Act

(A.2241, Kim; Reported to Ways & Means)

This bill would expand the Urban Development Corporation act to allow dry cleaning business and nail salons be able to make capital improvements through grants and flexible financing programs.

Entrepreneurship Assistance Program

(A.4312, Thiele; Chapter 294)

This bill amends provisions made in Chapter 398 of 2018 by adding language previously removed from entrepreneurship assistance centers, expanding the cap on individual grants provided, and extending the timeframe for reporting and auditing of the program.

Minority-and Women-Owned Businesses Assistance

(A.4914, Titus; Passed Assembly)

This bill would establish regional offices of the Office of the Minority-and Women-Owned Business Enterprises in order to provide assistance in obtaining technical, managerial, financial and other business assistance for minority-and women-owned businesses.

Entrepreneurship Assistance Program

(A.7206, Stirpe; Veto 153)

This bill would establish a program to provide education and training courses to individuals fifty and older who wish to start their own small businesses.

Small Business Regulatory Relief

(A.7540-,B McDonald; Chapter 731)

This bill would provide an opportunity for small businesses to reduce regulatory fines for first time violations of agency regulations; as long as such violation doesn't involve public health, safety, human rights, federal violations, harassment or discrimination.

C. CAPITAL FORMATION & DEVELOPMENT

HIRE NY Micro Businesses

(A.5133, Blake; Referred to Ways & Means)

This bill would enact the “Hire Individuals in the Real Economy New York Act” (HIRE NY) which would provide zero interest loans to businesses with less than five employees.

IV. PUBLIC HEARINGS/ROUNDTABLES

Small-business owners can provide valuable information to public policy discussions, hearings, and roundtables. By having these forums, the Small Business Committee can focus its energy on legislation that will benefit the State as a whole.

Small Business Informational Roundtables

To further the Assembly’s understanding of issues that small businesses are facing across the State, the Small Business Committee held four roundtable discussions in Syracuse, Rochester, Plattsburgh and Queens to receive insight. These roundtables brought together members with various business organizations and local businesses to provide the Committee with a better understanding of topics of concern for their regions, including issues within the Committee’s purview, such as looking into ways to attract more workers and grow their businesses. Other pressing issues, such as the need for sufficient transit, broadband, cell service and childcare facilities in the State’s lower population density regions, are critical for small businesses; however, these topics are better addressed by other committees dedicated to the subject matter at hand. With increased awareness of these issues, members of the Small Business Committee have a better understanding of what current and future legislation could be produced to assist small businesses throughout the State.

Public Hearing on Budget Oversight

On November 25, 2019, the Assembly Standing Committees on Economic Development, Job Creation, Commerce and Industry and Small Business held a joint public hearing on the State Fiscal Year 2019-2020 budget and program initiatives. The Committees focused on State supported programs that leverage operating funds with other public and private funding sources to facilitate the transfer of technology advancements into viable long-term business strategies and development. The Department of Economic Development and the Empire State Development Corporation administer programs such as Technology Development Organizations, the Manufacturing Extension Partnership, Centers of Excellence, Centers for Advanced Technology, Innovation Hot Spots/Certified Incubators, and others focused on research, development and technological advancement as well as stimulating business development and expansion across the State.

The hearing examined the statewide impact of such programs with respect to job creation and growth, attraction of new investment from public and private sources, the number of patents, the number of companies created and assisted, and other general economic impacts associated with the programs.

V. OUTLOOK FOR 2020

The Small Business Committee will continue to work to address the needs of small businesses, minority- and women-owned business enterprises (MWBEs), and veteran-owned businesses, creating a supportive environment that encourages their growth, expansion, and stability right here in New York. Issues of access to capital, the expansion of MWBEs, supporting the development and commercialization of innovative new technology, workforce development, contracting with State and local governments, energy assistance, veterans' business assistance and immigrant-owned business assistance are priorities of the Committee.

APPENDIX A

2019 SUMMARY SHEET

**Summary of Action on All Bills
Referred to the Committee on**

SMALL BUSINESS

<u>Final Action</u>	<u>Assembly Bills</u>	<u>Senate Bills</u>	<u>Total</u>
Bills Reported With or Without Amendment			
To Floor: Not Returning to Committee (Favorable)	2	0	2
To Ways and Means	7	0	7
To Codes	1	0	1
To Rules	0	0	0
To Judiciary	0	0	0
Total	10	0	10
Bills having Committee Reference Changed			
To...	0	0	0
To...	0	0	0
To...	0	0	0
To...	0	0	0
Total	0	0	0
Senate Bills Substituted or Recalled			
Substituted	0	0	0
Recalled	0	0	0
Total	0	0	0
Bills Defeated in Committee			
Bills Held for Consideration, Roll-Call Vote	0	0	0
Bills Never Reported, Died in Committee	0	0	0
Bills Having Enacting Clauses Stricken	0	0	0
Motions to Discharge Lost	0	0	0
Total Bills in Committee	10	1	11
Total Number of Committee Meetings Held		4	

APPENDIX B

Chapters of 2019

CHAPTER	ASSEMBLY BILL (SPONSOR)	SENATE BILL (SPONSOR)	DESCRIPTION
294	A.4312 (Thiele)	S.1192 (Bailey)	This bill amends provisions made in Chapter 398 of 2018 by adding language previously removed from entrepreneurship assistance centers, expanding the cap on individual grants provided, and extending the timeframe for reporting and auditing of the program.
372	A.8089 (Ryan)	S.6198 (Kaplan)	This bill amends the expiration date of the Advisory Panel on Employee-Owned Enterprises from October 1, 2019 to October 1, 2020.
448	A.2166 (Bichotte)	S.4888 (Parker)	This bill requires the commissioner to publish and announce when an agency has entered into a contract in the procurement opportunities newsletter.
731	A.7540-B (McDonald)	S.5815-C (Kaplan)	This bill provides an opportunity to small businesses with first time violations of agency regulations a chance to fix their violation rather than facing regulatory fines. This is not applicable for violations that: are deemed too severe; directly affect public health, public safety or environmental health; are related to human rights or civil rights; result in loss of employee wages or benefits; interfere with review or resolution of harassment or discrimination claims; are willful violations; relate to federal funding; relate to State procurement; are similar to other violations; are penal law violations; or, relate to a substantive part of the business.

APPENDIX C

Bills Vetoed in 2019

VETO MEMO	ASSEMBLY BILL (SPONSOR)	SENATE BILL (SPONSOR)	DESCRIPTION
153	A.7206 (Stirpe)	S.4575 (May)	This bill would have established a program to provide education and training to individuals aged 50 and older to assist in transition to entrepreneurship and creating new small businesses.
154	A.1483 (Santabarbara)	S.232 (Kennedy)	This bill would have established a small business energy assistance and advocacy program to assist in accessing energy conservation and renewable energy programs.
156	A.2946 (Solages)	S.1087 (Persaud)	This bill would have established the small business crime prevention services programs to provide training, loans and grants for the purpose of preventing crime against small businesses.

APPENDIX D

Additional Bills Reported in 2019

ASSEMBLY BILL (SPONSOR)	LAST ACTION	DESCRIPTION
A.2241 (Kim)	Referred to Ways & Means	This bill would expand the eligibility of the Urban Development Corporation Act to allow dry cleaning businesses and nail salons to make capital improvements through grants and flexible financing programs.
A.4914 (Titus)	Passed the Assembly	This bill would provide aid to minority-and-woman-owned businesses in obtaining technical, managerial, financial and other business assistance.
A.5133 (Blake)	Referred to Ways & Means	This bill would enact the Hire Individuals in the Real Economy New York Act, which would provide zero interest loans to businesses with less than five employees.