



Legislation Text

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Int. No. 1990

By The Public Advocate (Mr. Williams) and Council Members Powers, Louis, Gibson, Kallos and Chin

A Local Law to amend the administrative code of the city of New York, in relation the provision of interest-free loans to small businesses, non-profits, and freelance workers following certain emergency circumstances

Be it enacted by the Council as follows:

Section 1. Subchapter 2 of chapter 8 of title 22 of the administrative code of the city of New York is amended by adding a new section 22-1006 to read as follows:

§ 22-1006 Emergency loan programs. a. Definitions. For purposes of this section, the following terms have the following meanings:

Freelance worker. The term “freelance worker” means any natural person or any organization composed of no more than one natural person, whether or not incorporated or employing a trade name, that is hired or retained as an independent contractor by a hiring party to provide services in exchange for compensation.

Interest-free loan. The term “interest-free loan” means a loan with terms including interest rates of zero percent.

Operating expenses. The term “operating expenses” means money spent during the normal operation of business, including but not limited to rent, payroll, insurance, equipment, inventory costs, and other expenses as determined by the commissioner.

Small business. The term “small business” means a small business as defined by the United States small business administration pursuant to part 121 of title 13 of the code of federal regulations.

b. During emergencies declared by the mayor or governor, the department shall establish and operate a program to provide interest-free loans to partially or fully fund the operating expenses of small businesses, non-

profit organizations, or freelance workers and independent contractors not otherwise eligible for unemployment insurance, that are required to substantially limit their operations by, or which are otherwise substantially negatively impacted financially by, such state of emergency.

c. The commissioner shall establish eligibility criteria and procedures for the application for, disbursement of, and repayment of interest-free loans pursuant to this section. Such information established pursuant to this subdivision shall be made publicly available on the department's website. Such criteria must ensure that loans are: (i) made available to individuals and entities regardless of immigration status or prior contractual relationships with the City, and (ii) distributed in a manner that focuses on individuals and entities that have been excluded from state and federal small business loan programs, if any.

d. The commissioner shall establish the terms and conditions of such loans, including: (i) the amount to be loaned, (ii) the length of the repayment term, (iii) procedures in the event of default, and (iv) circumstances upon which a borrower would be released from the obligation to repay part or all of a loan received pursuant to this section.

§ 2. This local law takes effect 365 days after it becomes law, provided that the commissioner of small business services may take all actions necessary for its implementation, including the promulgation of rules, before such effective date.

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