

# ANNUAL REPORT 2021



CARL E. HEASTIE, SPEAKER  
ALBERT A. STIRPE, JR., CHAIR

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



THE ASSEMBLY  
STATE OF NEW YORK  
ALBANY

CHAIR  
Small Business

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

ALBERT A. STIRPE, JR.  
Assemblyman 127<sup>th</sup> District

December 15, 2021

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 2021 Annual Report of the Assembly Standing Committee on Small Business. Throughout the 2021 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 Small Business Committee worked to ensure the needs of New York small businesses were met given the unique challenges presented by the pandemic. Pandemic Recovery Programs totaled approximately \$1.5 billion, including the \$800 million Small Business Recovery Grant Program. Looking ahead, in hopes that the challenges brought by the height of the pandemic are behind us, the Committee looks forward to focusing on maintaining small businesses and preparing for post-pandemic recovery. The Committee has addressed pandemic-related challenges in addition to its typical work on legislation designed to stimulate small and entrepreneurial business growth, help small businesses to prevent pollution, promote minority- and women-owned business development, and provide available resources for these entrepreneurs.

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 continued commitment to supporting small businesses. The Committee looks forward to a productive legislative session of persistent efforts so that we can continue to rebuild and create a healthy environment for small business prosperity across New York State.

Sincerely,

Al Stirpe, Chair  
Committee on Small Business

**2021  
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  
Inez Dickens  
Billy Jones  
Taylor Darling  
Catalina Cruz  
Chantel Jackson  
Sarah Clark  
Jenifer Rajkumar

**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, which has been pushed to its limits through the COVID-19 Pandemic that ravaged the State this year. Small businesses are defined in State law as those employing 100 or fewer people. According to the U.S. Department of Commerce, over 632,000 enterprises qualify as small businesses under New York State law, comprising 96 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.

The pandemic dealt a deep and comprehensive blow to our small businesses. We continued our efforts from last year to keep as many small businesses open as possible. This year we also started to look beyond survival and towards recovery. The Committee has shifted its priority to helping small businesses get back on their feet and get their employees back to work. Additionally, the Committee continues 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.

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 2021 Legislative Session, the Standing Committee on Small Business reported eight 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. 2021-2022 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:

- **Pandemic Recovery Programs**

- \$800 million for the Small Business Recovery Grant Program, which will provide support for small businesses negatively impacted by the COVID-19 pandemic;
- \$600 million in federal revenue funds for a State Small Business Credit Initiative (SSBCI) program, which would provide a mechanism to ensure federal aid is effectively distributed to small businesses negatively impacted by the COVID-19 pandemic;
- \$25 million for the New York Restaurant Resiliency Grant Program which provides grants to restaurants that offer meals to people in distressed or underrepresented communities;
- \$100 million for NY Theater tax credits; and
- \$35 million for Restaurant Return to Work tax credits.

- **University-Based Programs**

- \$13.55 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
- \$9.85 million for the 11 existing Centers of Excellence, which collaborate with New York companies in commercializing scientific discoveries in fields such as nanoelectronics, bioinformatics, photonics, environmental systems, wireless applications and information technology.
- Additional COE funding:
  - \$375,000 for the creation of the Clarkson – SUNY ESF Center of Excellence in Healthy Water Solutions;
  - \$1 million for the Center of Excellence in Precision Responses to Bioterrorism and Disaster at New York Medical College;
  - \$110,944 for Cornell University's Center for Excellence in Food and Agricultural Innovation in Geneva; and
  - \$800,000 for the SUNY Albany Center of Excellence in the Data Science in Atmospheric and Environmental Predictions and Innovation.
- \$3 million for SUNY Polytechnic Institute College of Nanoscale Science and Engineering and Rensselaer Polytechnic Institute focus centers.

- **Business Assistance**

- \$13.5 million for the Manufacturing Extension Partnership Program;
- \$5 million for the High Technology Matching Grants Program;
- \$5 million for the New York State Innovation Hot Spots/ New York State Incubators;
- \$1.76 million for the Entrepreneurial Assistance Program (EAP);
- \$1.382 million for the Technology Development Organizations;
- \$1.495 million for the Community Development Financial Institutions (CDFI) Program;
- \$2 million for the Minority- and Women-Owned Business Development and Lending Program and for Minority- and Women-Owned Business Development;
- \$921,000 for the Industrial Technology Extension Service Program; and

- \$343,000 Science and Technology Law Center.

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

- \$150 million for the Regional Economic Development Councils (REDCs);
- \$100,000 for Adirondack North Country, Inc;
- \$150,000 for the Association of Community Employment Programs;
- \$50,000 for the Bayside Business Association;
- \$25,000 for the Bronx Cooperative Development Initiative;
- \$550,000 for the Bronx Overall Economic Development Corporation;
- \$500,000 for the Brooklyn Alliance;
- \$300,000 for the Brooklyn Chamber of Commerce;
- \$50,000 for the Buffalo Niagara International Trade Gateway Organization;
- \$75,000 for the Capital Region Chamber of Commerce;
- \$25,000 for the Douglaston Local Development Corporation;
- \$50,000 for the Flatbush Development Corporation;
- \$700,000 for the Center State Corporation for Economic Opportunity (CEO) Program;
- \$50,000 for the Floral Park Bellerose Indian Merchants Association Inc;
- \$50,000 for the Flushing Business Improvement District;
- \$100,000 for the Greater Harlem Chamber of Commerce;
- \$25,000 for the Haitian-American Business Network;
- \$25,000 for the Hudson Valley Gateway Chamber of Commerce;
- \$165,000 for the Kingsbridge, Riverdale, Van Cortlandt Development Corporation;
- \$275,000 for the North Country Chamber of Commerce;
- \$500,000 for the Queens Chamber of Commerce;
- \$100,000 for the Queens Economic Development Council;
- \$50,000 for the Staten Island Development Council;
- \$100,000 for Syracuse Jazzfest Productions;
- \$40,000 for the Orange County Chamber of Commerce;
- \$50,000 for the Sunnyside Shines Business Improvement District;
- \$200,000 for Urban Upbound;
- \$20,000 for Women’s Enterprise Development Center, Inc; and,
- \$40,000 for the New York Women’s Chamber of Commerce;

- **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, 2021 until July 1, 2022.
- The Legislature approved a proposal to extend the Urban Development Corporation’s general loan powers from July 1, 2021 until July 1, 2022.
- The Legislature included a new proposal for direct grants and technical assistance to small businesses, micro-businesses and for-profit arts and cultural entities through the COVID-19 Pandemic Small Business Recovery Grant program. The grant program will give priority to socially and economically disadvantaged business owners, minority- and women-owned business enterprises, service-disabled veteran-owned businesses, veteran-owned businesses, and businesses located in communities that were economically distressed prior to the pandemic (Note: Empire State Development opened the application portal on June 10, 2021).

### III. ISSUES BROUGHT THROUGH COMMITTEE IN 2021

#### A. REGULATORY REFORM

##### **Program List for Small Businesses**

(A.983, Stirpe; Chapter 17, Laws of 2021)

This law amends Chapter 339 of the laws of 2021 clarifying the agency coordinating the list of programs available to assist small businesses; providing additional information based off business entity type and size and; change the implementation date to July 1, 2021.

##### **Annual Guide for Small Businesses**

(A.6503, Stirpe; Passed the Assembly)

This bill would require the Secretary of State to compile and publish a guide for small businesses that would outline the statutory and regulatory changes made in the prior year in plain and commonly understood terms; this guide would be posted annually on January 31 of each year on the Department of State's website.

##### **Small Business Advisory Panel**

(A.7501, Stirpe; Chapter 163 of the Laws of 2021)

This law extends the advisory panel on employee-owned enterprises within the Department of Economic Development until October 1st, 2023 in order to make recommendations on State laws and programs to support and promote employee-owned enterprises in New York.

#### B. BUSINESS ASSISTANCE

##### **Micro-Business Transfer of Ownership**

(A.6286, Stirpe; Reported to Ways & Means)

This bill would make worker cooperatives formed upon the transfer of ownership of an existing micro-business eligible to apply to receive assistance under the Economic Development Fund. This bill would allow for the existence of viable micro-businesses to be sustainable upon the sale or transfer of ownership and assist worker ownership of such business to support their communities.

##### **Small Business Environmental Fund**

(A.6483, Stirpe; Reported to Ways & Means)

This bill would create a Small Business Environmental Fund to assist small businesses in leveraging capital loans from financial institutions for the purpose of complying with environmental laws or preventing pollution. In addition, this bill also sets forth provisions relating to execution and terms of the loans, origination fees payable to the Environmental Facilities Corporation, administration and promotion of the fund, and annual reporting of the fund's performance by the Environmental Facilities Corporation.



## **Expansion of Urban Development Corporation Act**

(A.3160, Kim; Reported to Ways & Means)

This bill would expand the eligibility criteria of the Economic Development Fund to provide assistance opportunities to small businesses engaged in dry cleaning or appearance enhancement businesses which engage in the practice of nail specialty to make capital improvements through grants and flexible financing programs.

Specifically, eligible uses of the financial assistance would include the purchase and installation of non-perchloroethylene machines and sprinkler systems by dry cleaning businesses, and capital improvements and upgrades to mechanical ventilation systems by appearance enhancement businesses which practice nail specialty, to ensure that both types of businesses comply with federal, state, and local codes and regulations.

## **Small Business Regulatory Relief**

(A.7500, McDonald; Chapter 752 of the Laws of 2021)

This law extends for an additional three years, through December 20, 2024, the authorization for small businesses to be offered “cure periods” by state agencies when small businesses have for the first time violated an agency rule or regulation in lieu of imposing penalties. In addition, this bill would establish an annual report to be managed by the Division of Small Business to show the usage of this program by state agencies. By providing greater opportunity for correction and access to information, this bill would strengthen the relationship between small businesses and New York State.

## **New York State Innovative Energy and Environmental Technology Program**

(A.4874 Pichardo; Reported to Ways & Means)

This bill would create the New York State Innovative Energy and Environmental Technology Program to award grants of up to \$100,000 for the purposes of spurring innovative energy and environmental technology development and commercialization.

## **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.

### **Hearing on Budget Oversight**

On November 16, 2021, the Assembly Standing Committee on Agriculture, Assembly Standing Committee on Small Business, Assembly Task Force on Food, Farm and Nutritional Policy, Assembly Subcommittee on Agricultural Production and Technology, Assembly Subcommittee on Agriculture Economic Development and Farmland Protection, and Assembly Subcommittee on Micro Business held a joint hearing on the impact and implementation of the State Budget for agriculture. The Committees focused on the overall impact and implementation of the 2021-2022 State Budget, particularly as it related to assisting small- and medium-sized farms and related small businesses to compete in the state, national and international marketplace.

On December 13, 2021, the Assembly Standing Committee on Economic Development, Job Creation, Commerce and Industry, Assembly Standing Committee on Labor, Assembly Standing Committee on Higher Education Assembly Standing Committee on Small Business, and Assembly Commission on Skills

Development and Career Education held a joint hearing on the impact and implementation of the State Budget as it relates to the funding and administration of workforce development programs administered by various State entities. The Committees heard testimony regarding the effectiveness of workforce development programs funded through the 2021-2022 State Budget and any recommendations to ensure such programs meet the needs of businesses and current and potential workers as the State's economy recovers from the COVID pandemic.

## **V. OUTLOOK FOR 2022**

It will be a long road to recovery, but the Small Business Committee's support for New York's small businesses is steadfast. The Committee will continue its 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. The priorities of the Committee include increasing 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, immigrant-owned business assistance and helping small businesses recover from the effects of the pandemic and come back stronger.

**APPENDIX A**

**2021 SUMMARY SHEET**

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

**SMALL BUSINESS**

<b><u>Final Action</u></b>	<b><u>Assembly Bills</u></b>	<b><u>Senate Bills</u></b>	<b><u>Total</u></b>
<b>Bills Reported With or Without Amendment</b>			
To Floor: Not Returning to Committee (Favorable)	4		4
To Ways and Means	4		4
To Codes			
To Rules			
To Judiciary			
<b>Total</b>	<b>8</b>		<b>8</b>
<b>Bills having Committee Reference Changed</b>			
To...			
To...			
To...			
To...			
<b>Total</b>			
<b>Senate Bills Substituted or Recalled</b>			
Substituted			
Recalled			
<b>Total</b>			
<b>Bills Defeated in Committee</b>			
<b>Bills Held for Consideration, Roll-Call Vote</b>			
<b>Bills Never Reported, Died in Committee</b>	15		15
<b>Bills Having Enacting Clauses Stricken</b>			
<b>Motions to Discharge Lost</b>			
<b>Total Bills in Committee</b>	<b>23</b>		<b>23</b>
<b>Total Number of Committee Meetings Held</b>		<b>4</b>	

## APPENDIX B

### Chapters of 2021

CHAPTER	ASSEMBLY BILL (SPONSOR)	SENATE BILL (SPONSOR)	DESCRIPTION
17	A.983 (Stirpe)	S.889 (Kaplan)	This bill amends provisions made in Chapter 339 of the Laws of 2020 by clarifying the agency coordinating the list of programs available to assist small businesses; providing additional information based off business entity type and size and; change the implementation date to July 1, 2021.
163	A.7501 (Stirpe)	S.6679 (May)	This bill amends the expiration date of the Advisory Panel on Employee-Owned Enterprises from October 1, 2021 to October 1, 2023.
752	A.7500 (McDonald)	S.6642-A (Kaplan)	This bill extends the cure period on regulatory fines for small businesses for three years to December 20, 2024. In addition, this bill would establish an annual report to be managed by the Division of Small Business to show the usage of this program by New York State Agencies.

## APPENDIX C

### Additional Bills Reported in 2021

ASSEMBLY BILL (SPONSOR)	LAST ACTION	DESCRIPTION
A.4874 (Pichardo)	Referred to Ways & Means	This bill would create the New York State Innovative Energy and Environmental Technology Program that will award grants for the purpose of energy and environmental technology development and commercialization.
A.3160 (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.6286 (Stirpe)	Referred to Ways & Means	This bill would make worker cooperatives formed upon the transfer of ownership of an existing micro-business eligible to apply to receive assistance under the Economic Development Fund.
A.6483 (Stirpe)	Referred to Ways & Means	This bill would create a Small Business Environmental Fund to assist small businesses in leveraging capital from financial institutions for the purpose of complying with environmental laws or preventing pollution.
A.6503 (Stirpe)	Passed the Assembly	This bill would require the Secretary of State to compile and publish a guide for small businesses that would outline the statutory and regulatory changes made in the prior year in plain and commonly understood terms; this guide would be posted annually on January 31 of each year on the Department of State's website.