



Substitute House Bill No. 5493

Public Act No. 06-166

AN ACT ESTABLISHING A PILOT MICROLOAN PROGRAM FOR MICROENTERPRISES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (NEW) (*Effective July 1, 2006*) As used in sections 2 to 5, inclusive, of this act and section 32-235 of the 2006 supplement to the general statutes:

(1) "Community Economic Development Fund" means the entity established pursuant to subsection (b) of section 8-240k of the general statutes to accomplish the community economic development program;

(2) "Microenterprise" means any business, new or existing, with ten or fewer employees and annual gross revenues of less than five hundred thousand dollars, including home-based and owner-operated businesses;

(3) "Program" means the microloan program for microenterprises established in section 2 of this act.

Sec. 2. (NEW) (*Effective July 1, 2006*) There is established a pilot microloan program for microenterprises under which the Commissioner of Economic and Community Development shall make

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a grant to the Community Economic Development Fund. Said fund shall use said grant to support the growth and development of microenterprises.

Sec. 3. (NEW) (*Effective July 1, 2006*) The grants provided under section 2 of this act shall be used to:

(1) Identify appropriate microloan applicants state-wide;

(2) Evaluate the need for a prospective microloan applicant's business in the community in which the microenterprise is or would be located;

(3) Evaluate community support for a prospective microloan applicant's business in the community in which the microenterprise is or would be located;

(4) Work in conjunction with other community-based nonprofit organizations, state and federal agencies and with the Community Economic Development Fund to assist prospective microloan applicants in preparing and finalizing business plans;

(5) Assist prospective microloan applicants in identifying and accessing other appropriate business resources, including those providing business management training;

(6) Track client data, level of service and outcome of services provided; and

(7) Promote microenterprises and coordinate the delivery of services by microenterprise support organizations to microenterprises.

Sec. 4. (NEW) (*Effective July 1, 2006*) The Community Economic Development Fund shall consider the following criteria in making a grant to a microloan generating organization:

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(1) Sources and sufficiency of operating funds for the microloan generating organization;

(2) The ability of the microloan generating organization to provide the services required under section 3 of this act; and

(3) The proven ability of the microloan generating organization to identify and prepare successful applicants to economic assistance programs similar to the program established in section 3 of this act.

Sec. 5. (*Effective July 1, 2006*) Not later than June 30, 2007, the Community Economic Development Fund shall submit a report, in accordance with section 11-4a of the general statutes, on the status and results of sections 1 to 3, inclusive, of this act to the joint standing committee of the General Assembly having cognizance of matters relating to economic development.

Approved June 6, 2006