



General Assembly

January Session, 2007

Raised Bill No. 7341

LCO No. 5341

05341_____CE_

Referred to Committee on Commerce

Introduced by:
(CE)

AN ACT CONCERNING MICROLOANS.

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

1 Section 1. Section 8-240o of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2007*):

3 As used in sections 8-240p to 8-240s, inclusive, as amended by this
4 act, and section 32-235:

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

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

12 (3) "Program" means the microloan program for microenterprises
13 established in section 8-240p, as amended by this act; and

14 (4) "Minority business enterprises" shall have the same meaning as

15 in section 4a-60.

16 Sec. 2. Section 8-240p of the general statutes is repealed and the
17 following is substituted in lieu thereof (*Effective July 1, 2007*):

18 (a) There is established a pilot microloan program for
19 microenterprises under which the Commissioner of Economic and
20 Community Development shall make a grant to the Community
21 Economic Development Fund. Said fund shall use said grant to make
22 funds available to microloan generating organizations to support the
23 growth and development of microenterprises.

24 (b) Said commissioner, in consultation with the Office of Small
25 Business Affairs, shall establish eligibility standards for number of
26 employees and gross revenues for microenterprises eligible for such
27 program. Such standards may vary by industry or service. Such
28 eligibility standards, for microenterprises in business for at least three
29 years, shall be based on the average of annual revenues over the three
30 immediately preceding income years, but in no case shall such average
31 be greater than five hundred thousand dollars. For microenterprises in
32 business for less than three years, the eligibility standard for annual
33 gross revenues shall be less than five hundred thousand dollars.

34 (c) The Community Economic Development Fund shall track the
35 grants it provides to microloan generating organizations, and shall
36 provide a status report of such grants on October 1, 2007, and
37 quarterly thereafter, to the commissioner and to the joint standing
38 committee of the General Assembly having cognizance of matters
39 relating to commerce.

40 Sec. 3. Section 8-240r of the general statutes is repealed and the
41 following is substituted in lieu thereof (*Effective October 1, 2007*):

42 The Community Economic Development Fund shall consider the
43 following criteria in making a grant to a microloan generating
44 organization:

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

47 (2) The ability of the microloan generating organization to provide
48 the services required under section 8-240q; [and]

49 (3) Identifiable links between the microloan generating organization
50 and the local community, including such organization's ability to
51 locate low and moderate income entrepreneurs to start
52 microenterprises in the area, or to identify small businesses with
53 community support, or identifiable market demand for products or
54 services;

55 (4) The ability of the microloan generating organization to identify
56 and provide support for minority business enterprises; and

57 ~~[(3)]~~ (5) The proven ability of the microloan generating organization
58 to identify and prepare successful applicants to economic assistance
59 programs similar to the program established in section 8-240q.

60 Sec. 4. (Effective July 1, 2007) The sum of two hundred fifty thousand
61 dollars is appropriated to the Department of Economic and
62 Community Development, from the General Fund, for the fiscal year
63 ending June 30, 2008, for providing a grant to the Community
64 Economic Development Fund for purposes of the microloan program
65 established in sections 8-240o to 8-240s, inclusive, of the general
66 statutes, as amended by this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2007</i>	8-240o
Sec. 2	<i>July 1, 2007</i>	8-240p
Sec. 3	<i>October 1, 2007</i>	8-240r
Sec. 4	<i>July 1, 2007</i>	New section

Statement of Purpose:

To provide further direction to the pilot microloan program for microenterprises by specifically including minority business enterprises, adjusting eligibility requirements, emphasizing community links for microenterprises and requiring quarterly reporting on the status of grants.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]