S T A T E O F N E W Y O R K

5671--A

2011-2012 Regular Sessions

I N S E N A T E

June 9, 2011

Introduced by Sen. DeFRANCISCO -- read twice and ordered printed, and when printed to be committed to the Committee on Finance -- recommitted to the Committee on Finance in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the state finance law, in relation to the amount of a letter of credit used as guarantee of performance of a state procurement contract

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Paragraph d of subdivision 10 of section 163 of the state finance law, as added by chapter 83 of the laws of 1995, is amended to read as follows:

d. It shall be in the discretion of the commissioner or state agency to require a bond or other guarantee of performance, and to approve the amount, form and sufficiency thereof. PROVIDED HOWEVER IF A LETTER OF CREDIT, EITHER BY ITSELF OR IN CONJUNCTION WITH ANOTHER FORM OF GUARANTEE, IS USED FOR THIS PURPOSE, THE AMOUNT OF THE LETTER OF CREDIT SHALL NOT EXCEED THREE PERCENT OF THE TOTAL CONTRACT AWARD AMOUNT. THESE RESTRICTIONS SHALL NOT APPLY TO ANY BOND REQUIREMENTS ISSUED PURSUANT TO THIS SECTION. AN AGENCY MAY REQUIRE OTHER GUARANTEES OF PERFORMANCE IN ADDITION TO A LETTER OF CREDIT AS PROVIDED IN THIS PARAGRAPH.

S 2. This act shall take effect immediately; provided, however, that the amendments to paragraph d of subdivision 10 of section 163 of the state finance law made by section one of this act shall not affect the repeal of such section and shall be deemed repealed therewith.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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