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

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I N S E N A T E

February 13, 2012

Introduced by Sen. DeFRANCISCO -- (at request of the State Comptroller) -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

AN ACT to amend the state finance law, in relation to the payment of interest due to not-for-profit organizations

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

Section 1. Subdivision 2 of section 179-v of the state finance law, as added by chapter 166 of the laws of 1991, is amended to read as follows:

2. Such organizations shall receive such interest payments WITHIN THIRTY DAYS OF THE DATE THE PAYMENT OR PAYMENTS REQUIRED UNDER THE CONTRACT ARE MADE TO ANY SUCH ORGANIZATION; PROVIDED, HOWEVER, IF MONIES FROM ANY APPROPRIATION OR APPROPRIATIONS AS DESCRIBED IN SUBDIVISION THREE OF THIS SECTION ARE NOT AVAILABLE FOR THE PAYMENT OF SUCH INTEREST, SUCH PAYMENT SHALL BE MADE IMMEDIATELY AFTER SUCH MONIES BECOME AVAILABLE. SUCH INTEREST PAYMENTS SHALL BE MADE at a rate equal to the rate set by the commissioner of taxation and finance for corporate taxes pursuant to paragraph one of subsection (e) of section one thousand ninety-six of the tax law. In order for a state agency to approve reimbursement of a not-for-profit organization at a rate other than the interest rate stated in this section the not-for-profit organization shall submit documentation indicating the rate at which such funds were borrowed, the lender of such funds and any other information requested by the state agency, attorney general or the comptroller. The comptroller may disallow such portions of the interest that the comptroller deems unreasonable.

S 2. This act shall take effect immediately.

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

LBD11124-03-1