

5671

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

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 procure-
ment contract

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

1 Section 1. Paragraph d of subdivision 10 of section 163 of the state
2 finance law, as added by chapter 83 of the laws of 1995, is amended to
3 read as follows:
4 d. It shall be in the discretion of the commissioner or state agency
5 to require a bond or other guarantee of performance, and to approve the
6 amount, form and sufficiency thereof. IF A LETTER OF CREDIT, EITHER BY
7 ITSELF OR IN CONJUNCTION WITH ANOTHER FORM OF GUARANTEE, IS USED FOR
8 THIS PURPOSE, THE AMOUNT OF THE LETTER OF CREDIT SHALL NOT EXCEED THE
9 LEVEL OF ACTUAL RISK INVOLVED WITH THE CONTRACT AND IN NO CASE SHALL THE
10 AMOUNT OF THE LETTER OF CREDIT EXCEED FIVE PERCENT OF THE TOTAL CONTRACT
11 AWARD AMOUNT.
12 S 2. This act shall take effect immediately; provided, however, that
13 the amendments to paragraph d of subdivision 10 of section 163 of the
14 state finance law made by section one of this act shall not affect the
15 repeal of such section and shall be deemed repealed therewith.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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