STATE OF NEW YORK

6037

2019-2020 Regular Sessions

IN SENATE

May 16, 2019

Introduced by Sen. SAVINO -- read twice and ordered printed, and when printed to be committed to the Committee on Commerce, Economic Development and Small Business

AN ACT to amend the economic development law, in relation to the development and creation of distributed ledger technology and business entities that develop such technology

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Subdivisions 8 and 23 of section 352 of the economic development law, as amended by section 1 of part K of chapter 59 of the laws of 2017, are amended to read as follows:

8. "Financial services data centers or financial services customer back office operations" means operations that manage the data or accounts of existing customers or provide product or service information and support to customers of financial services companies, including banks, other lenders, securities and commodities brokers and dealers, investment banks, portfolio managers, trust offices, [~~and~~] insurance companies**, and financial technology companies that develop distributed ledger technology. For purposes of this subdivision "distributed ledger technology" means a mathematically secured, chronological, and decentralized consensus ledger or database, whether maintained via internet interaction, peer-to-peer network, or otherwise used to authenticate, record, share and synchronize transactions in their respective electronic ledgers or databases**.

23. "Software development" means the creation of **distributed ledger technology,** coded computer instructions or production or post-production of video games, as defined in subdivision one-a of section six hundred eleven of the general business law, other than those embedded and used exclusively in advertising, promotional websites or microsites, and also includes new media as defined by the commissioner in regulations. **For purposes of this subdivision "distributed ledger technology" means a**

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

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mathematically secured, chronological, and decentralized consensus ledger or database, whether maintained via internet interaction, peer-to-peer network, or otherwise used to authenticate, record, share and synchronize transactions in their respective electronic ledgers or databases.

§ 2. Subdivision 4 of section 353 of the economic development law, as separately amended by section 3 of part K and section 2 of part ZZ of chapter 59 of the laws of 2017, is amended to read as follows:

4. A business entity operating predominantly in one of the industries referenced in paragraphs (a) through (h) or in paragraph (k) of subdivision one of this section but which does not meet the job requirements of subdivision three of this section must have at least twenty-five full-time job equivalents unless such business is a business entity operating predominantly in manufacturing then it must have at least five full-time job equivalents and must demonstrate that its benefit-cost ratio is at least ten to one, or unless it is a software development entity that develops distributed ledger technology which has been in operation for more than one year and less than five years, then it must have at least two full-time job equivalents.

§ 3. Section 354 of the economic development law is amended by adding a new subdivision 6 to read as follows:

6. The commissioner shall strive to ensure that there is participation on a broad regional geographic basis within the program and outreach to all eligible industries defined in section three hundred fifty-two of this article. The commissioner shall also promote diverse ownership and workforces of participating businesses through outreach to businesses owned by people with disabilities as defined under subdivision twenty-one of section two hundred ninety-two of the executive law or subdivisions three and twenty-two of section 1.03 of the the mental hygiene law, minority- and women-owned businesses and veteran-owned businesses in those industries where their participation is not currently prevalent.

§ 4. This act shall take effect immediately.