

STATE OF NEW YORK

6335

2023-2024 Regular Sessions

IN ASSEMBLY

April 5, 2023

Introduced by M. of A. STIRPE, THIELE -- read once and referred to the Committee on Small Business

AN ACT to amend the New York state urban development corporation act, in relation to creating the small business energy loan program

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

1 Section 1. The legislature hereby finds and declares that the state's
2 chronically high energy costs are often cited as a key factor for why
3 New York-based businesses and New York-made products are not competitive
4 in national and global markets. The legislature further finds that the
5 state's economic expansion is tied to the growth and development of
6 small businesses. By reducing a primary cost component in a rapidly
7 growing sector of the state's economy, those businesses are rendered
8 more competitive, and thus help to better secure New York-based jobs. In
9 addition, thriving businesses and communities will augment the tax base,
10 which in distressed communities is disproportionately lower than in
11 other areas of the state.

12 Therefore, the legislature seeks to provide funds to reduce high ener-
13 gy costs, via a zero or low interest loan, or loan interest rate
14 reduction program for energy efficiency projects to stimulate the growth
15 and development of small businesses and jobs in New York state.

16 § 2. Section 1 of chapter 174 of the laws of 1968, constituting the
17 New York state urban development corporation act, is amended by adding a
18 new section 16-bb to read as follows:

19 § 16-bb. Small business energy loan program. 1. Definitions. For the
20 purpose of this section:

21 (a) "Authority" shall mean the New York state energy research and
22 development authority as defined in section 1851 of the public authori-
23 ties law.

24 (b) "Economically distressed areas" shall mean areas as determined by
25 the corporation, meeting criteria indicative of economic distress,

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

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1 including consideration of unemployment rate; rate of employment change;
2 numbers and percentages of low-income persons; per capita income and per
3 capita real property wealth; such other indicators of distress as the
4 corporation shall determine. Economically distressed areas may include
5 designations such as cities, municipalities, block numbering areas and
6 census tracts.

7 (c) "Loan fund" shall mean the small business energy loan fund estab-
8 lished pursuant to this section.

9 (d) "Small businesses" shall mean businesses which meet the following
10 criteria: (i) independently owned and operated, and not dominant in
11 their field, (ii) headquartered in the state, with principal business
12 operations located in the state, and (iii) employs one hundred or less
13 persons.

14 2. (a) The corporation, with the assistance of the authority, shall
15 establish a small business energy loan fund to provide zero or low
16 interest loans and loan interest rate reductions to small businesses in
17 economically distressed areas for energy efficiency projects and
18 advanced energy technologies.

19 (b) In order to be eligible to participate in this loan program, small
20 businesses in economically distressed areas must have an energy audit
21 provided through the authority's energy audit program that helps small
22 businesses make informed electrical energy decisions and implement ener-
23 gy efficiency strategies. Technologies identified in such audit shall
24 become eligible technologies for which monies for the loan fund may be
25 available.

26 3. (a) The corporation shall, within available appropriations, provide
27 financial assistance from the loan fund to eligible small businesses in
28 economically distressed areas.

29 (b) The corporation is authorized to provide zero or low interest
30 loans from the loan fund for eligible improvements. To be eligible for
31 such loans, a small business in an economically distressed area shall
32 identify an eligible improvement project and provide necessary documen-
33 tation.

34 (c) (i) The corporation is authorized to provide loan interest rate
35 reductions from the loan fund for eligible improvements. To be eligible
36 for an interest rate reduction, a small business in an economically
37 distressed area shall: (1) identify an eligible improvement project and
38 provide necessary documentation, and (2) receive a loan commitment from
39 a participating lender, including banks, credit unions, community devel-
40 opment financial institutions, and farm credit associations.

41 (ii) The corporation is authorized to buy down the participating lend-
42 er's interest rate by up to four hundred basis points or four percent
43 through the loan fund. Such interest rate reductions shall be available
44 for the lesser of ten years or the life of the loan.

45 (d) Loans provided by the corporation or issued by a participating
46 lender shall not exceed one hundred thousand dollars.

47 4. Energy efficiency improvements eligible for zero or low interest
48 loans or loan interest rate reductions through the loan fund shall
49 include, but not be limited to:

50 (a) Pre-qualified measures that are proven cost effective investments
51 which reduce energy use;

52 (b) Custom measures that pay for themselves in ten years through
53 reduced energy use;

54 (c) Process improvement measures that reduce manufacturing energy use
55 on a cost-per-unit basis; and

1 (d) Renewable technologies that use the sun, wind, water or ground to
2 generate heat or power.

3 5. Applications for assistance pursuant to this section shall be
4 reviewed and evaluated by the corporation in cooperation with the
5 authority pursuant to eligibility requirements and criteria set forth in
6 the rules and regulations promulgated by the corporation.

7 6. The corporation and the authority shall submit an annual written
8 report to the speaker of the assembly and the temporary president of the
9 senate identifying the number of businesses assisted through the loan
10 fund program, and the types of improvements implemented and energy cost
11 savings realized by the small businesses assisted by this program.

12 § 3. Subdivision 1 of section 16-m of section 1 of chapter 174 of the
13 laws of 1968, constituting the New York state urban development corpo-
14 ration act, is amended by adding a new paragraph (p) to read as follows:

15 (p) Loans, loan guarantees, interest subsidy grants and direct grants
16 to small businesses under section sixteen-bb of this act for energy
17 efficiency projects and advanced energy technologies.

18 § 4. This act shall take effect immediately, provided, however, that
19 the amendments to section 16-m of the New York state urban development
20 corporation act made by section three of this act shall not affect the
21 expiration of such section and shall expire and be deemed repealed ther-
22 ewith.