

STATE OF NEW YORK

9801

IN ASSEMBLY

April 9, 2024

Introduced by M. of A. THIELE -- read once and referred to the Committee on Local Governments

AN ACT to amend the general municipal law, in relation to the powers of the New York state industrial development agency and certain loans and grants to eligible entities

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

Section 1. Subdivision 17 of section 858 of the general municipal law, as renumbered by chapter 356 of the laws of 1993, is renumbered subdivision 19 and two new subdivisions 17 and 18 are added to read as follows:

(17) To provide loans in accordance with section eight hundred fifty-nine-c of this article, to any eligible entity as defined in paragraph a of subdivision one of section eight hundred fifty-nine-c of this title, provided such loan is memorialized in an appropriate loan agreement and further provided that the loan proceeds are used in furtherance of the agency's corporate purposes;

(18) To provide grants to any eligible entity as defined in paragraph a of subdivision one of section eight hundred fifty-nine-c of this title, provided said grant is memorialized in an appropriate grant agreement stipulating the services to be provided in furtherance of the agency's corporate purposes, to be provided in a manner consistent with uniform criteria, as defined in subdivision two of section eight hundred fifty-nine-c of this title, said uniform criteria to be established for the evaluation and selection of eligible entities;

§ 2. The general municipal law is amended by adding a new section 859-c to read as follows:

§ 859-c. Uniform criteria for evaluation and selection of eligible entities for loans. 1. For the purposes of this section, the following terms shall have the following meanings:

(a) "eligible entity" shall mean a small business or not-for-profit with not more than fifty employees that is physically located in the jurisdiction of the applicable agency.

(b) "small business" means a business with not more than fifty employees.

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

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1 2. (a) An agency shall develop, and adopt by resolution, uniform
2 criteria for the evaluation and selection of an eligible entity for a
3 loan through the funding program, such criteria may include, but is not
4 limited to, whether the eligible entity:

5 (i) is a financially viable entity;

6 (ii) conducts business in the area served by the agency;

7 (iii) is creditworthy;

8 (iv) has a proposed plan to use the funds received through this
9 program; and

10 (v) will undertake efforts to retain jobs.

11 (b) Any agencies that serve within the same municipalities shall coor-
12 ordinate the distribution of funds to a single entity.

13 (c) No eligible entity may receive a grant or loan from more than one
14 agency per project.

15 (d) An outstanding loan must be paid back in full prior to an agency
16 issuing an additional loan agreement to the same eligible entity.

17 2. Prior to administering a loan program, an agency shall develop, and
18 adopt by resolution, the terms and conditions of such loans, provided
19 that the amount of any funding provided pursuant to this section shall
20 not exceed twenty-five thousand dollars, and further provided that the
21 total amount of all funds received by an eligible entity shall not
22 exceed twenty-five thousand dollars.

23 3. Each agency shall maintain records related to the loan program,
24 including a record of the number of loans issued and of payments
25 received, the number of loans fully repaid, any outstanding loans,
26 defaults and bad debts, and include such information in the annual
27 report required by section twenty-eight hundred of the public authori-
28 ties law.

29 4. Any interest deferred or not charged related to a loan issued
30 pursuant the loan program shall be exempt from all state taxes that may
31 be applicable to such interest amounts as such taxes relate to an eligi-
32 ble entity. Agencies shall disclose to eligible entity borrowers in loan
33 documents that there may be federal tax consequences to the program
34 loans.

35 § 3. This act shall take effect immediately.