

STATE OF NEW YORK

7663

2025-2026 Regular Sessions

IN ASSEMBLY

April 4, 2025

Introduced by M. of A. STERN, STIRPE, RIVERA, BENEDETTO, SMITH --
Multi-Sponsored by -- M. of A. PALMESANO -- read once and referred to
the Committee on Small Business

AN ACT to amend the urban development corporation act, in relation to
establishing the New York state innovation voucher program

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

1 Section 1. Short title. This act shall be known and may be cited as
2 the "New York state innovation voucher program act".

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

6 § 16-bb. New York state innovation voucher program. (1) Program estab-
7 lished. There is hereby established a New York state innovation voucher
8 program under the purview of the empire state development corporation.
9 Such program shall provide small businesses with access to research and
10 development by colleges and universities, government laboratories and
11 public research institutes in order to assist such businesses in the
12 creation of innovative products or services that provide job retention
13 and expansion.

14 (2) Definitions. For the purposes of this section, the following terms
15 shall have the following meanings:

16 (a) "Eligible recipient" shall mean small businesses as defined in
17 section one hundred thirty-one of the economic development law.

18 (b) "Eligible projects" for vouchers authorized pursuant to this
19 section shall mean research and development projects leading to inno-
20 vation of products or services. Eligible costs shall include, but not be
21 limited to, the development of prototypes, field testing, engineering or
22 other projects authorized by the corporation that enhance innovation of
23 products or services that result in job growth and business expansion
24 within the state.

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

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1 (c) "Ineligible expense" shall mean reimbursement of time spent by the
2 employees or owners of the small business; grant or voucher application
3 costs; routine and readily-predictable business expenses; design and
4 production of marketing or advertising materials; basic professional
5 services such as ongoing routine accounting, tax or legal services;
6 building or equipment construction costs; financing fees; travel and
7 entertainment costs; hospitality costs; and any other expenses deemed
8 ineligible by the corporation.

9 (d) "Research and development partner" shall mean colleges, universi-
10 ties, state and national government laboratories, and public research
11 institutes in New York state.

12 (e) "Exceptionally innovative projects" shall mean projects that
13 demonstrate a potential for substantial economic growth and job develop-
14 ment in an emerging technology field, as defined by the corporation,
15 through the promulgation of rules and regulations, as emerging technolo-
16 gy fields from those fields listed in subparagraphs one, two, three,
17 four and five of paragraph (b) of subdivision one of section thirty-one
18 hundred two-e of the public authorities law.

19 (3) Selection of eligible recipients. (a) Eligible recipients shall be
20 selected by the corporation based on the strength of their proposals,
21 including evaluation of the innovative nature of the project, its tech-
22 nical feasibility, commercial viability and the potential impact on the
23 retention and creation of new jobs.

24 (b) Small businesses may identify desired or potential research and
25 development partners as part of their applications. Advance determi-
26 nations of the business' research and development partner shall not be a
27 requirement for receipt of an innovation voucher.

28 (c) Applications shall be judged by an advisory committee, or regional
29 advisory committee, appointed by the president of the corporation
30 consisting of members of the higher education, science and technology,
31 and business communities.

32 (4) Research and development partners. The corporation shall identify
33 a list of potential research and development partners in New York state
34 that have appropriate facilities and resources to participate in the
35 innovation voucher program and are willing to accept vouchers from
36 eligible recipients for payment of their services. The list of potential
37 research and development partners shall be displayed on the corpo-
38 ration's website, and shall be reviewed and revised at least quarterly.

39 (5) Vouchers and matching funds. (a) The corporation, upon the recom-
40 mendation of the advisory committee, may award vouchers up to ten thou-
41 sand dollars for each eligible project. Upon the recommendation of the
42 advisory committee, the corporation may award a voucher in an amount up
43 to fifty thousand dollars where a project is deemed exceptionally inno-
44 vative. Criteria for determination of awards shall be established by the
45 corporation in rules and regulations. Eligible recipients shall match
46 the value of the voucher on a dollar-for-dollar basis and shall apply
47 such amount to the voucher-funded project.

48 (b) If an applicant is approved by the corporation for a voucher based
49 on the merits of an eligible project, such eligible recipient shall be
50 authorized to enter into a working agreement with the appropriate
51 research and development partner. The eligible recipient shall notify
52 the corporation of the research and development partner collaboration to
53 be formed to further research and development. Payment of the voucher
54 shall be made based on a payment structure established by the corpo-
55 ration in rules and regulations promulgated pursuant to section four of
56 this act to administer a collaboration.

1 (6) Outreach. To ensure maximum awareness of the innovation voucher
2 program, the corporation shall develop and implement a plan to dissem-
3 inate information and materials to small businesses, including but not
4 limited to minority- and women-owned enterprises and veteran-owned busi-
5 nesses.

6 (7) Reports. The corporation shall post quarterly reports stating: the
7 number and monetary value of vouchers issued; the amount of program
8 funding used for the vouchers; the recipient of the the vouchers and
9 research and development partner; and any other appropriate metrics to
10 measure the success of the program, including but not limited to, the
11 number of jobs created or retained, the number of patents produced as a
12 result of the collaboration, a description of the economic development
13 impact and such other information as the corporation may deem necessary.
14 Such quarterly reports shall also include a list of current advisory
15 committee members and a list of current research and development part-
16 ners approved by the corporation.

17 (8) Funding. The corporation is authorized, within available appropri-
18 ations in the empire state development fund established pursuant to
19 section sixteen-m of this act or from any other funds appropriated, to
20 make innovative vouchers available to eligible recipients.

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

24 (p) Vouchers to eligible entities as set forth in section sixteen-bb
25 of this act to support the New York state innovation voucher program to
26 assist small business access to research and development by colleges and
27 universities, government laboratories and public research institutes to
28 support such businesses in the creation of innovative products or
29 services.

30 § 4. Rules and regulations. The empire state development corporation
31 is authorized to promulgate rules and regulations in accordance with the
32 state administrative procedure act that are necessary to fulfill the
33 purposes of this act. Such rules and regulations shall be completed
34 within one hundred eighty days after the effective date of this act.

35 § 5. This act shall take effect on the one hundred eightieth day after
36 it shall have become a law; provided, however, that the amendments to
37 subdivision 1 of section 16-m of section 1 of chapter 174 of the laws of
38 1968, constituting the New York state urban development corporation act,
39 made by section three of this act shall not affect the expiration of
40 such section and shall be deemed to expire therewith. Effective imme-
41 diately, the addition, amendment and/or repeal of any rule or regulation
42 necessary for the implementation of this act on its effective date are
43 authorized to be made and completed on or before such effective date.